

## Swansea University E-Theses

---

# Anglo-Soviet relations, 1927-1932.

Bridges, Brian J. E

---

### How to cite:

Bridges, Brian J. E (1979) *Anglo-Soviet relations, 1927-1932..* thesis, Swansea University.  
<http://cronfa.swan.ac.uk/Record/cronfa43078>

---

### Use policy:

This item is brought to you by Swansea University. Any person downloading material is agreeing to abide by the terms of the repository licence: copies of full text items may be used or reproduced in any format or medium, without prior permission for personal research or study, educational or non-commercial purposes only. The copyright for any work remains with the original author unless otherwise specified. The full-text must not be sold in any format or medium without the formal permission of the copyright holder. Permission for multiple reproductions should be obtained from the original author.

Authors are personally responsible for adhering to copyright and publisher restrictions when uploading content to the repository.

Please link to the metadata record in the Swansea University repository, Cronfa (link given in the citation reference above.)

<http://www.swansea.ac.uk/library/researchsupport/ris-support/>

ANGLO-SOVIET RELATIONS

1927 - 1932

by

BRIAN J. E. BRIDGES

Ph.D.

April, 1979

University College

of Swansea

ProQuest Number: 10821470

All rights reserved

INFORMATION TO ALL USERS

The quality of this reproduction is dependent upon the quality of the copy submitted.

In the unlikely event that the author did not send a complete manuscript and there are missing pages, these will be noted. Also, if material had to be removed, a note will indicate the deletion.



ProQuest 10821470

Published by ProQuest LLC (2018). Copyright of the Dissertation is held by the Author.

All rights reserved.

This work is protected against unauthorized copying under Title 17, United States Code  
Microform Edition © ProQuest LLC.

ProQuest LLC.  
789 East Eisenhower Parkway  
P.O. Box 1346  
Ann Arbor, MI 48106 – 1346

## SUMMARY

Using unpublished official and private papers to supplement published Western and Soviet sources, this thesis seeks to demonstrate that Anglo-Soviet relations from 1927 to 1932 retained much of the mutual suspicion and misunderstanding characteristic of relations in the early 1920s, thereby restricting co-operative responses to the rising threats to their interests from Japan and Germany in the early 1930s.

Anglo-Tsarist enmity and the vicissitudes of the first decade of Anglo-Soviet relations conditioned the political and institutional problems in reconciling the two powers, difficulties which were compounded by the antipathy between the practice of Stalinist communism and British Imperial interests. The British remained suspicious of Soviet intentions towards the Indian sub-continent.

Chamberlain's policy of 'studied reserve' in the face of both Soviet intransigence and party-political pressure was nullified by the Arcos raid and the rupture of relations, but, contrary to the alarums of the Soviet 'war scare', this was not the prelude to wider British action. Relations marked time until mid-1929.



For Britain, the results of the Labour Cabinet's renewal of relations were disappointing, for controversy over Soviet internal conditions combined with the unresolved propaganda and debts issues to hamper the creation of mutual understanding. Under the National Government relations remained distant, and, with British export expectations unfulfilled, and a deteriorating economic climate in Britain and the Dominions, trade relations were re-assessed.

For the Soviet Union, with Stalin taking effective control of Soviet foreign policy, internal considerations predominated over objective perceptions of the changing international environment in the West and the colonial world during the Depression. Whilst France gradually became the focus of Soviet interest, no real Anglo-Soviet understanding emerged on either bilateral or international issues.

## CONTENTS

Acknowledgements	1
Introduction	2
Chapter One: The Prelude	11
Chapter Two: Warning Notes	53
Chapter Three: Breaking Relations	89
Chapter Four: War Scares	121
Chapter Five: From Geneva to Meerut	159
Chapter Six: Renewing Relations	209
Chapter Seven: Discordant Notes	255
Chapter Eight: Disillusionment	302
Chapter Nine: Changing Alignments	353
Chapter Ten: Ottawa and Denunciation	396
Conclusion	452
Appendices	479
Bibliography	484

## ACKNOWLEDGEMENTS

In thanking the many people, fellow students and teachers in both Britain and Japan, who have helped me at various stages in my research, I know that my greatest debt is to Dr. Eleanor Breuning, to whom I would like especially to express my gratitude for never failing ~~to~~ thoughtfully and patiently <sup>to</sup> advise and encourage me, despite my periodic absences abroad.

I would like to thank the librarians, archivists and staff of the various institutions holding the collections of papers utilised in this thesis, and also Mr. E. Gillett and Mrs. D. Woodrow for allowing me to see private papers in their hands.

In bringing this thesis to its final form, my warm thanks must be extended to Mrs. P. Whyman for her careful typing and to my parents, Siew Bee, and Dr. S. Nonomura for their constant encouragement.

## INTRODUCTION

The aim of this thesis is to examine the troubled course of relations between Britain and the Soviet Union during the years from 1927 to 1932, a period which contains ample evidence of the friction and frustration which were the substance of inter-war relations between the two powers. Although detailed research has been undertaken on the origins of the Anglo-Soviet relationship and on a number of incidents such as the Zinoviev Letter, the Arcos Raid, the resumption of relations in 1929, and the Metro-Vickers Trial, no published scholarly study has yet covered in detail the period under investigation here, that is, the period up until the arrival of Adolf Hitler on the international scene altered the foreign policy perspectives of both countries.

For the British side, in view of the fact that the wide scope of the 'Russian question' brought it within the purview of other governmental departments besides the Foreign Office, the material available from the published Foreign Office documents has been supplemented by the use of a wide range of unpublished official papers, not only Foreign Office and Cabinet records but also, where available, the records of other

Government departments (1). In addition, collections of private papers, particularly the papers of Austen and Neville Chamberlain and Ramsay MacDonald, have provided corroborative material and in some cases added new light to the picture available from the official sources.

For the Soviet side, the primary material available is still woefully inadequate, but use has been made of the series of published foreign policy documents, which now cover the whole period of this study. To assist in setting the Anglo-Soviet relationship in its international perspective, use also has been made of American, Canadian, French, German and Italian documentation and of unpublished material in the Japanese Foreign Ministry archives.

The nature of the primary material available tends to encourage concentration on the vicissitudes of the Anglo-Soviet relationship as seen chiefly from the British side, but as far as possible due consideration is given to Soviet perceptions and policies.

Western and Soviet scholars are in general agreement on the unsatisfactory state of Anglo-Soviet

- 
1. Enquiry has ascertained that certain classes of documents which undoubtedly contain important material of relevance to the theme of this thesis, for example Home Office records in class H.O. 144 and India Office records in class P & J (S), are still closed to researchers.

relations during the inter-war period. A Soviet historian, Viktor I. Popov, has written that 'there were times when they were close and friendly, but there were also moments when Great Britain and the U.S.S.R. were enemies' (1), while a British historian, David Carlton, has argued that 'relations between the Soviet Union and Great Britain between the two world wars were marred by a complete lack of mutual trust and understanding' (2). American historian Robert Warth, in drawing parallels between the Cold War after the Second World War and Anglo-Soviet relations in the 1920s, has observed that 'during the decade following the Bolshevik Revolution the only occasion when the two countries might be described as reasonably friendly was under James Ramsay MacDonald's short-lived Labour Government of 1924'. (3).

Scholarly opinion, however, has shown less unanimity on the reasons behind this troubled relationship. More than thirty years ago two British Marxists, Ken and Zelda Coates, produced a general survey of Anglo-Soviet relations in which they argued that 'the attitude of successive British Governments towards the

- 
1. Viktor I. Popov, Anglo-Sovetskie Otnosheniya, 1927-1929, (Moscow 1958) p.3.
  2. David Carlton, MacDonald versus Henderson, (London 1970) p.144.
  3. Robert Warth, 'The Arcos Raid and the Anglo-Soviet "Cold War" of the 1920s' in World Affairs Quarterly, July 1958, p.116.

Soviet Union was so unprecedented that it is no exaggeration to state that the normal state of Anglo-Soviet relations up till the time when the Nazi menace began to throw its ugly shadow over Europe was abnormal'. They placed the responsibility for this on British policies, which were 'throughout ridden by inner contradictions' between the 'State interests of Britain' and 'the class prejudices of sections of the British ruling classes against a workers' Government'. In analysing the period under study in this thesis, they refer repeatedly to two themes; a continuous flood of anti-Soviet lies, alleging religious persecution, forced labour, imminent financial collapse, etc' from 'anti-Soviet elements' in Britain, and 'the developing Soviet economy, particularly under the Five Year Plans, which had put the Soviet Government in a position to place valuable orders in Britain, which would have provided ample work for idle factories' (1).

These two basic themes, anti-Soviet class prejudices as the mainspring of Conservative and even Labour policies and the missed opportunities for the British economy, have been repeated and amplified by

---

1. W. P. and Z. K. Coates, A History of Anglo-Soviet Relations, (London 1943) pp.743, 746-747.

- 6 -

Soviet historians writing more recently (1). In addition, in tracing back the origins of the Second World War, some Soviet historians have criticised the British for adopting a policy of 'non-resistance and virtual encouragement' of Japanese expansionism in the Far East in order to involve the Soviet Union in a war with Japan (2). Soviet historians have contrasted the British attitude with that of the Soviet Government which 'from the very first day of its existence... held that peaceful co-operation with Britain is not only possible but necessary' (3).

Non-Marxist historians have looked for other explanations for the unstable relationship. British historian Philip Reynolds has argued that the 'shifts and changes in Soviet policy' made 'impossible an adequate explanation ... except in terms of Marxist-Leninist ideology' and that, towards Britain, the Soviet attitude of 'open or underground hostility in varying degrees of intensity persisted throughout the period'. On the other hand, British policy 'was guided not so much by rational judgement as by emotion, fear on the

- 
1. Popov, Anglo-Sovetskie Otnesheniya, op. cit. pp.3, 63-64, 95, 138; same author, Diplomaticcheskie Otnosheniya mezdu SSSR i Angliiei, (Moscow 1965) pp.56, 68, 73, 100.
  2. Boris Ponomaryov, History of Soviet Foreign Policy, 1917-1945, (Moscow 1969) p.294.
  3. I. D. Osyany, A Study of Soviet Foreign Policy, (Moscow 1975) p.197.



part of the Conservatives and nostalgic illusion among the Labourites' (1).

An Indian historian, Zafar Imam, however, has argued that Britain's distrust and suspicions of the Soviet Union were 'mainly based on the concrete issue of safeguarding her imperialist interests against the Soviet Union, and not, as has often been suggested, on her idealistic and moral dislike of "the totalitarian and bloody regime" of the Bolsheviks'. In his opinion, the 'virulence of Soviet propaganda against Britain and the British Empire was so staggering and the various shifts and balances of Soviet policy .... were so novel that they tended to cloud the vision of successive British Governments' (2).

An American historian, George Kennan, has suggested that the 'sharply divisive' effects of the different images of the Soviet Union held by British society in the 1920s, namely the divergence of views between the Conservatives and the Labour movement, were 'quite sufficient to create resounding and enduring differences of opinion on questions of policy towards Russia'. He saw the issue for Britain, and indeed for

- 
1. Philip A. Reynolds, British Foreign Policy in the Inter-War Years, (London 1954) pp.65-66.
  2. Zafar Imam, Colonialism in East-West Relations, (New Delhi 1969) pp.479-480.

other Western powers, as one of 'how you deal with a power which openly avows its total enmity towards you, but professes an intention to carry it forward not on the plane of direct military warfare but on the plane of limited political and economic competition'. He ascribed a leading part in causing the Soviet friction with the West to Stalin himself, for whom 'normal diplomatic contact had no place'. (1).

This thesis seeks to examine the validity of these differing interpretations to the course of the Anglo-Soviet relationship between 1927 and 1932. The subject and period are taken as forming the framework for a case study as part of the broader problem of Soviet-Western relations in the inter-war period, and, by extension, of the post-1917 problem of relations between the Western democracies and communism.

The period encompasses three Governments on the British side, the Conservative, Labour and coalition National Governments, whose policies towards the Soviet Union, while having more points in common than the wilder comments of the back-benchers made it appear, nevertheless had instructive differences, and on the Soviet side, the rise to supreme power of Joseph Stalin, who imprinted his own pattern on Soviet foreign policy as conducted through its two arms, the Communist

---

1. George Kennan, Russia and the West under Lenin and Stalin, (Boston 1960) pp.226, 228, 233, 239.

International (the Comintern) and the People's Commissariat for Foreign Affairs (the Narkomindel).

The diplomatic recognition of the Soviet Union by the majority of the Western world in the mid-1920s did not solve the problems for Western policy-makers in reaching an understanding of and with the Soviet Government's unconventional approach to international intercourse. As Don Gregory, an Assistant Under-Secretary of State, noted in May 1927, there were 'notoriously no precedents for dealing with a regime - one can hardly say a country - like the Soviet' (1).

During a period of mounting pressure on British commitments and resources throughout Europe and the British Empire, successive British leaders' guiding concern for reconciliation between the world powers failed to reach fruition in the case of the Soviet Union. This thesis seeks to examine the complex interplay of the domestic and international environments as they affected British policy-makers in their attempts to establish viable political and economic bases for relations with Soviet communism under Stalin. British policy cannot be thus explained in terms simply of 'class interests' or 'emotion'.

---

1. Foreign Office Papers, held in the Public Record Office, London, Gregory to Sir Austen Chamberlain, Foreign Secretary, 19 May 1927, FO 800/260.

10

Taking into consideration the background of Anglo-Tsarist enmity and the vicissitudes in the first ten years of the Anglo-Soviet relationship which shaped the perceptions (and misperceptions) of both sides, this thesis seeks to demonstrate, through adding some 'meat' to the present rather 'skeletal' knowledge of this period of Anglo-Soviet relations, that the dominating thread of mutual mistrust and mutual misunderstanding hindered any real rapprochement and left the two powers poorly equipped to respond in any co-ordinated manner to the rising threats to their interests from Japan and Germany in the early 1930s.

## CHAPTER ONE: THE PRELUDE

Both British and Soviet policy-makers considered their policy decisions not purely against the exigencies of the moment but in the light of their knowledge and interpretation of prior events. Georgi Chicherin, Commissar for Foreign Affairs from 1918 to 1930, exhorted his officials in the Narkomindel to study the history of Anglo-Tsarist relations, while British Cabinet members looked for comparisons between Tsarist and Soviet policies towards the British Empire. It is necessary therefore to examine briefly the framework, political, economic and strategic, which had developed during the period of Anglo-Tsarist rivalry, before considering the modifications brought about after the October Revolution.

Anglo-Tsarist hostility was the fruit of competitive Imperial ambitions, which in the nineteenth century transformed into neighbours in the colonial world two powers which previously had been remote and which, since the sixteenth century, had enjoyed relatively friendly if limited contacts based mainly on commercial considerations. The two powers came into conflict in a basically non-European context, as they spread outwards and towards each other, filling the Asian power vacuum. In this 'Great Game', India

12

was the king-pin for Britain. Indeed, it was to become the justification for the Empire, and any threat to India or the routes to India met with a vigorous response. When the Foreign Office came to consider future policy commitments after the Great War it was noted that nineteenth century British policy 'has been inductive, intuitive, and quite deliberately opportunist, but through it all has run the dominant impulse of the defence of India' (1). As a result of the possession of India complications arose with Tsarist Russia in the Near East and Central Asian areas.

Although the current of Anglo-Russian animosity only resulted in one open conflict, the Crimean War, it did find expression in British public opinion with the growth of 'Russophobia', which continued to be the dominant mood until the 1907 Anglo-Russian entente. Moreover, criticisms from radical and liberal circles of the autocratic Tsarist system were to be reinforced by the mood of revulsion against 'imperialism' after the Boer War.

As for Russia, despite the appeal of Pan-Slavism to influential circles in Russian society and the tacit assent given to the expansion beyond the

---

1. Memorandum by Harold Nicolson, member of Central Department, 10 July 1920, file C948/948/62, FO 371/4713.

10

Eurasian plains, it would be inaccurate to characterise (as Engels did) Tsarist foreign policy as desirous of world domination in any meaningful sense. However, the Russians did see Britain as a threat to their strategic interests in securing a warm water outlet through the Dard<sup>a</sup>anelles and in securing control of Central Asia. Consequently, the brief interlude of Anglo-Russian friendship after 1907 was in many respects a precarious one (1).

Under pressure of war old suspicions reappeared, and the February Revolution was greeted with some relief both by the British Government and radical circles. It was the advent to power of the Bolsheviks which caused the complete break in ideological and military terms between the two Allies.

Although the Bolsheviks repudiated traditional diplomacy and intended to 'shut up shop' as the revolutionary wave spread across Europe, within six months they had to sign the 'humiliating' Brest-Litovsk Treaty and reconcile themselves, for the time being at least, to the capitalist encirclement. At the same time, however, they recognised that the capitalist world might not be uniformly hostile and that these contradictions could be exploited, even though this feature was not to find full expression until the Treaty of Rapallo in 1922.

---

1. See John H. Gleason, The Genesis of Russophobia in Great Britain, (New York 1972); David Gillard, The Struggle for Asia, 1828-1914, (London 1977).

14

The hostility of the Bolsheviks was directed in particular against Britain and the British Empire, which symbolised the imperialist social and economic structure that they sought to overturn. The British Coalition Government reciprocated the feelings of antagonism, and the Allied Intervention, which was predominantly British intervention, became after the armistice an overt effort to overthrow the Bolshevik regime. From 1918 to 1921 the Soviet leadership were involved in a battle for survival as the White Russians and the Allies, coupled with economic chaos and famine, threatened the very existence of the new regime. During 1920 the British commitment to the anti-Bolshevik cause was finally liquidated, but the reactions of Britain and the other Allied powers to the Russian Civil War confirmed Bolshevik preconceptions as to the hostility of the imperialist world and left a legacy in the recurrent bogey of a renewed capitalist intervention.

The Soviet attempts to export revolution, which were institutionalised with the establishment of the Comintern in 1919, suffered set-backs in Germany and eastern Europe; the period 1920-1921 therefore saw a concentration on revolutionary and diplomatic activities in the Near and Middle East, directed primarily against British interests. As the extension of the areas under effective Soviet control brought the old Russian and British spheres of interest back into contiguity, Soviet



policies looked like a resuscitation of old Tsarist policies. However, they were overlaid with Lenin's new doctrine of the 'alliance with bourgeois nationalism', a concept which, in the Near and Middle Eastern context at least, was not well understood by some British policy-makers (1). Translated into practice this brought friction with Britain, especially in the Indian sub-continent and in China.

As the apparent Achilles heel of Britain, India represented to the Soviets a way of weakening the country which was regarded as the principal obstacle to world revolution and the greatest threat to the security of the Soviet state. Moreover, India, which erupted into political violence and civil turmoil after the War, seemed to represent an important revolutionary breeding-ground. For the British in India, apart from anxiety about Soviet military activities in Transcaucasia and Central Asia in 1920-1921, the paramount concern in the early 1920s was with maintaining internal order. The threat to India was depicted not in the military terms of a Tsarist Russia but rather, to use the words of a 1920 General Staff appreciation, in terms of 'Bolshevik activities', which may have been 'less imposing' from a military point of view but were

---

1. E. H. Carr, A History of Soviet Russia: The Bolshevik Revolution, 1917-1923, Vol 3 (London 1966 - Penguin ed.) pp.232-271.

nonetheless 'more subtle and imminent' (1). The strict surveillance and detention of Comintern agents which culminated in the Cawnpore conspiracy trial in 1924 showed the sensitiveness of the Indian authorities to the as yet incipient communist movement. However, it also created a deep-rooted suspicion amongst British and Indian authorities about the nationalist movement, partly because of the apparent community of interests between the Indian nationalists and the Soviet Union; they looked for signs of Bolshevik connections behind the nationalist agitation. Although all British political parties were committed to progress towards Indian independence and the beliefs of Lord Curzon that 'as long as we rule India we are the greatest power in the world' were no longer so strongly held in the mid-1920s as in the nineteenth century, the whole perspective of Imperial responsibility was still dominated by the 'impulse' of India, and as such made it an enduring factor in Anglo-Soviet relations, as it had been in Anglo-Tsarist relations.

On the Soviet side, after 1921, the need to defend the achievements of the Government and to rebuild the shattered economy began to outweigh hopes of extending the revolution to other countries in Western Europe. In arguing for and introducing the

---

1. Cited in Michael Howard, The Continental Commitment, (London 1974 - Penguin ed.) p.77.

New Economic Policy in the spring of 1921, Lenin also advocated the foreign policy corollary, the establishment of normal trade relations with the capitalist powers, for 'without equipment, without machines obtained from the capitalist countries, we cannot ... restore the economy' (1). In this sense also, Britain was a point of Soviet interest, for as Georgi Chicherin, the Soviet Commissar for Foreign Affairs, wrote: 'The predominant position of England in the world's economy makes it especially important and valuable for us to have peaceable co-operation with England in the economic field' (2). The signature of the Anglo-Soviet Agreement in March 1921 not only gave the Soviet Government de facto recognition but also seemed to pave the way for closer economic links. Lenin argued that as long as the capitalist world was economically and militarily stronger than Soviet Russia, Soviet foreign policy would have to exploit the differences and disagreements in the capitalist world, both between states (such as between the Allies and defeated Germany, as was done at the Genoa Conference) or between classes and groups within states (such as the Soviet encouragement of both the 'Hands Off Russia' movement and British business circles during 1920-1921).

---

1. V. I. Lenin, On the Foreign Policy of the Soviet State, (Moscow n.d.) pp.330-331.

2. Popov, Anglo-Sovetskie Otnosheniya, op. cit. p.8.

Realisation by the Soviet leadership that 'for a fairly long time' they would be unable 'to vanquish all the imperialist powers' and that a certain temporary co-existence could be utilised for economic reconstruction did not imply any diminution in the belief in ultimate victory, but it did encourage efforts in the early 1920s to bring about a separation of all the overt connections between the two arms of Soviet foreign policy, the revolutionary and the diplomatic. By 1924 the line of argument that the Comintern was an independent body, financially, organisationally and ideologically, was becoming 'one of the most familiar commonplaces of Soviet diplomacy' (1). This line of argument was stubbornly maintained by Soviet diplomats in their dealing with the British throughout the inter-war period. The Comintern was the main organ through which propaganda amongst the workers of the capitalist countries and the peoples of the colonial countries was carried out, and its activities were a constant source of irritation to the British and other Western governments. The word 'propaganda' in fact came to cover the whole range of revolutionary activities which were a part of the normal conduct of Soviet foreign policy and which aimed to undermine the British Government and foment revolution in the Empire.

---

1. E. H. Carr, A History of Soviet Russia: Socialism in One Country, (London 1972 - Penguin ed.) Vol 3, p.14.

The Soviet Government agreed to clauses prohibiting propaganda in a series of Anglo-Soviet agreements, commencing with the 1921 Trade Agreement, but they consistently refused to accept responsibility for the Comintern's activities. In the early 1920s British and Indian Government intelligence services obtained a considerable amount of information on Soviet anti-British activities at a local level (1), and although later in the 1920s such information was not so readily available, the knowledge and suspicion of these activities, subsumed under the heading of 'propaganda', was a constant factor in Anglo-Soviet relations during the period under study.

Although some sections of British opinion misunderstood the Soviet hierarchy, by the mid-1920s it was accepted by the Foreign Office that both the Comintern and the Narkomindel were directly under the control of the Politburo of the Communist Party. It was indeed at this level that the apparent conflicts between the two arms of the Soviet foreign policy machine were resolved, as the Politburo deployed either

- 
1. Christopher Andrew, 'The British Secret Service and Anglo-Soviet Relations in the 1920s. Part I', in Historical Journal, September 1977, pp.678-694; Government of India, Home Department, Intelligence Bureau, Communism in India, 1924-1927, (Simla 1927), pp.5-60.

20

institution (or even both) as the occasion seemed to demand. Several scholars have noted that Chicherin occupied a relatively inferior position in the Party ranks by comparison with the Comintern leaders, who were often in the Politburo (1). However, the Politburo took a direct interest in the lines of Narkomindel's activities, as Lenin outlined in March 1923, when he commended 'this flexible amalgamation of a Soviet institution (Narkomindel) with a Party institution' (2). After the death of Lenin, the Politburo continued to maintain overall control of the foreign policy machinery.

Apart from propaganda, the other issue which was the subject of prolonged Anglo-Soviet controversy during the 1920s was that of debts and claims. After the October Revolution Soviet decrees had provided for the nationalisation of private enterprises and the cancellation of the State debt; when the Russians began to consider opening trade relations with the West, these unsettled debts were linked with talk of credits and loans. The 1921 Anglo-Soviet Trade Agreement contained a recognition 'in principle' by the Soviet Government of debts to private British citizens in the Tsarist

- 
1. Theodor von Laue, 'Soviet Diplomacy: G. V. Chicherin, Peoples Commissar for Foreign Affairs, 1918-1930', in Gordon Craig and Felix Gilbert, The Diplomats, 1919-1939, (New York - Atheneum ed.) pp.234-265; Julian Towster, Political Power in the U.S.S.R., 1917-1947, (New York 1948) p.162.
  2. V. I. Lenin, Collected Works, (Moscow 1966) Vol 33, pp.495-496.

period, but laid it down that the details of these and all other classes of claims should be left to be dealt with at a later date (1). The following year saw efforts by David Lloyd George to bring Soviet Russia into the economic reconstruction of Europe through the international conferences at Genoa and the Hague, but the debts and credits talks broke down, and Soviet Russia signed a separate Treaty with Germany at Rapallo (thereby ineffect cancelling all German claims so long as the Russians repaid nothing to other countries) (2). Henceforth, Britain, like the other Western powers, was forced to struggle with the problem on separate lines. Pre-Revolutionary investment in Russia had been heavily concentrated in British and French hands, and organisations to gain recompense for expropriated capital (such as the Association of British Creditors) were often stronger and more vocal than organisations promoting trade with Soviet Russia. At the start of Anglo-Soviet negotiations in 1924 leading City bankers adopted a strong position on the claims issue, demanding that any treaty be made dependent on a settlement (3).

- 
1. For details of all aspects of the Trade Agreement negotiations see Richard Ullman, The Anglo-Soviet Accord, (Princeton 1972) pp.397-453.
  2. Carr, The Bolshevik Revolution, op. cit. Vol 3, pp.339-380.
  3. Gabriel Gorodetsky, The Precarious Truce, (Cambridge 1977), pp.16-21.

Lloyd George had been inspired in his moves to bring Soviet Russia into 'the reconstruction of European trade and business' by visions (unfounded in reality) of 'bursting cornbins' to feed Europe and of a vast potential market to solve the problems of British export industries and by the belief that trade contacts would 'civilise' the Bolsheviks (1). While the negotiations for the 1921 Trade Agreement were being undertaken, a Soviet trading company was registered in Britain under the name of Arcos (All-Russian Co-operative Society), and this organisation handled the bulk of trade in the early years, although by the mid-1920s some mixed companies for special lines of trade had been established. Soviet foreign trade had become a State monopoly in April 1918 and this tenet was made inviolable in 1923 despite some intra-Party controversy. Nevertheless, in spite of efforts to restore agricultural output and marketing to pre-war levels, in the mid-1920s foreign trade lagged far behind other sectors of the Soviet economy. The disruption of export patterns restricted import capacity, and only through the use of credits could the growing demands for machinery and raw materials be met. From the mid-nineteenth century to World War I, Germany was Russia's best trading partner for both exports and

---

1. Ullman, op. cit. pp.36-39, 432-438.



23

imports, and this tradition, assisted of course by certain political considerations, gave Germany a pre-dominant position in Soviet foreign trade plans. In the case of Anglo-Soviet trade, British exports only increased slowly from £3 million in 1921 to £11 million in 1924, while imports from Soviet Russia increased more rapidly from £2 million in 1921 to £19 million in 1924. The absence of British Government guarantees meant, as a Board of Trade survey later noted, that 'few orders can be obtained by British firms unless they are prepared to grant a large amount of credit' (1).

Apart from bodies such as the Russo-British Chamber of Commerce, the Labour movement was the main advocate of increasing trade with Soviet Russia. Unlike Weimar Germany, where pro and anti-Soviet feeling split across party allegiances (2), in Britain, as indeed in France, British opinion divided generally on party lines. After the October Revolution the British Labour movement displayed a benevolent, almost paternalistic attitude towards the Soviet Government, which evoked a sympathy amongst a section of British opinion that Tsarist Russia had never succeeded in

- 
1. Cabinet Papers, held in the Public Record Office, London, Memorandum by Sir Philip Cunliffe-Lister, President of the Board of Trade, 28 January 1927, C.P.27(27), CAB 24/184.
  2. Walter Laqueur, Russia and Germany, (London 1965) pp.134-143.

obtaining (1). These feelings were to find expression in the opposition to British intervention in the Russian Civil War, in the Councils of Action, and in the mid-1920s, in the Anglo-Russian Trade Union Committee. However, this benevolence on the part of the mainstream of the Labour Party towards the 'Bolshevik experiment' was gradually tempered by a growing distaste for Soviet communist methods and clearly did not extend to the British Communist Party, which was formed in July 1920 from a collection of Marxist fringe groups (2). While the left wing of the Labour movement continued to be sympathetic to the Soviet Union (on social and political grounds in the 1920s but on economic grounds by the early 1930s) and attempted to influence the policies of the Labour Cabinets of 1924 and 1929-1931 on more pro-Soviet lines, the mainstream of the Labour leadership showed progressively less enthusiasm for the nature of the Soviet system. They attached importance to trade with Soviet Russia as a means of averting unemployment and believed that contact with the Soviet leadership would 'moderate'

- 
1. In May 1918 Ramsay MacDonald explained to Litvinov, the unofficial Soviet representative in London, that he was 'not a Bolshevik', but 'I shall support every revolutionary govt. so far as to give it a chance to settle Russia & establish the Revolution'. David Marquand, Ramsay MacDonald, (London 1977), p.226.
  2. Walter Kendall, The Revolutionary Movement in Britain, 1900-1921, (London 1969) pp.188-268; John Mahon, Harry Pollitt, A Biography, (London 1976) pp.54-87.

the latter's attitude to the West, but they reacted strongly to communist attempts to infiltrate the Labour Party and trade union movements. There are grounds for comparison between the attitudes of the majority of the Conservative Party towards Italian fascism and the majority of the Labour Party towards Soviet communism in the 1920s, in that both felt some limited 'admiration' for the systems in the respective countries but not as ideologies for 'export', for they felt that these were applicable only to those particular countries and not to Britain.

When the Labour Party took office for the first time in January 1924, one of their first foreign policy decisions was to accord de jure recognition to the Soviet Government. In fact, 1924 came to be known as the 'year of recognitions' as European and Asian countries followed the lead of Britain in granting recognition (Germany's having been accorded by the Treaty of Rapallo) and vying for economic contacts with the Soviet Union. From April to August 1924 the British and Soviet delegations argued over the whole range of economic and political questions, finally concluding two treaties, a Commercial Treaty, which gave most-favoured-nation treatment and extended the Export Credits Guarantee system to trade with Soviet Russia, and a General Treaty, which contained the controversial provision that a Government-guaranteed

loan would be given after a settlement of mutual property claims (1). Parliamentary criticism of the terms of these Treaties, followed by the notorious Campbell Case prosecution (2), precipitated the General Election in October 1924. The two Treaties once again became the subject of Anglo-Soviet conversations in 1929 with the Labour Government's commitment to renewing relations, but for both sides there were changes in attitudes and circumstances as compared with 1924.

The Liberal Party, split by Lloyd George's Coalition, never effectively reunited and suffered progressive electoral eclipse during the 1920s, but the issue of policy towards Soviet Russia was one on which it did exert some influence. Ironically, in view of his earlier concern to develop links with the Russians, it was Lloyd George who, in 1924, led the Liberals into opposing the Russian Treaties and so brought down the minority Labour Government.

The Conservative Party, like the other two parties, suffered from internal divisions on the Russian question. The right wing of the Party not only opposed the complete basis of the communist social and political system but also at times tried to brand

---

1. Gorodetsky, op. cit. pp.7-35.

2. Marquand, op. cit. pp.364-378.

the Labour Party as the 'apostle of Red Revolution' (this is seen most clearly in the 1924 election campaign). In the Coalition period, as the British Intervention became less justifiable, Conservative back-benchers nevertheless opposed contacts with the Soviets until after the recognition of Tsarist debts, indemnification for confiscated property and the cessation of propaganda, and even within the Cabinet some Ministers resisted to the last the signature of the 1921 Trade Agreement. After the break-up of the Coalition, the successive Conservative Cabinets of Andrew Bonar Law and Stanley Baldwin retained the Trade Agreement, but trade only increased slowly and Soviet subversive activities prevented any notable political rapprochement. Dissatisfaction with the Soviet attitude reached a peak in May 1923, when the Foreign Secretary, Marquis Curzon of Kedleston, issued his 'ultimatum', which adumbrated a series of British grievances centering on subversive activities by Soviet diplomats in Persia and Afghanistan. The Soviet side, which could not afford a breach at that time, promised virtually unqualified acceptance on all points except one, responsibility for the Comintern activities (1).

---

1. Andrew, op. cit. pp.692-695; E. H. Carr, A History of Soviet Russia: The Interregnum, 1923-1924, (London 1969 - Penguin ed.) pp.176-192.

20

Relations remained stationary for the remainder of the Baldwin Cabinet's life, but when Baldwin came to form his second Cabinet in November 1924 the atmosphere was considerably more tense. The incoming Foreign Secretary, Austen Chamberlain, brought two aspects of the 'Russian question' before his colleagues: the immediate question of the resolution of the 'Zinoviev Letter' controversy, and the more wide-ranging question of the lines of general policy towards Soviet Russia.

The British election campaign had been considerably enlivened by the publication on 24 October 1924, five days before polling, of a copy of seditious instructions to the British Communist Party, alleged emanating from the Comintern's President Grigori Zinoviev, and of a Note of protest against this 'direct interference from outside in British domestic affairs' from the Foreign Office. Controversy over the roles of MacDonald and the senior Foreign Office staff and over the authenticity of the Letter has continued to rage ever since (1). Although the publication of the Letter probably did little more, in electoral terms, than to

---

1. Andrew, op. cit. pp. 673-678, 700-706; Lewis Chester, Stephen Fay and Hugo Young, The Zinoviev Letter, (London 1967) passim; Sibyl Crowe, 'The Zinoviev Letter. A Reappraisal' in Journal of Contemporary History, July 1975, pp.407-432.

make more overwhelming the likely Conservative victory, neither the Labour nor the Conservative Party saw it in such unemotional terms at the time; indeed, throughout the 1920s 'the letter became an enduring factor in party strife' (1). Although the balance of evidence now seems to suggest that the Letter was not a forgery, its importance lies rather in that MacDonald's confusion typified the dilemma of a moderate Labour Cabinet in its dealings with the Communists, that the style and content of the Letter were not untypical of Comintern pronouncements of the period, and that the atmosphere produced by its appearance (particularly amongst Conservative back-bench opinion) set the tone for the new Cabinet's Russian policy.

The special Cabinet Committee set up by the Conservatives concluded that the Letter was genuine, and this conclusion was transmitted to the Russians, who continued to maintain that the Letter was a forgery. However, with that further exchange Chamberlain decided to disengage from the controversy. As to more general policy, the Cabinet rejected any ratification or implementation of the two Treaties of August 1924, but more drastic steps, such as withdrawing recognition (as had been advocated by at least two Cabinet members),

---

1. Lord Vansittart, The Mist Procession, (London 1958) p.330.

were not undertaken (1).

Chamberlain's Russian policy was based on the premise of avoiding precipitate action and waiting for the Soviet side to take genuine steps to improve relations. His policy of 'indifference' found its clearest expression in a letter in June 1925, when he wrote: 'it would be very inexpedient to provoke a controversy with the Soviet Government if it can be avoided,... the less attention we pay to them the more anxious they will be to come to terms with us' (2). In contrast to the beliefs of Lloyd George that contact and trade would 'civilise' the Bolshevik 'barbarians', of Curzon that 'to have dealings with such people is bad at all times', and of MacDonald that 'standing aloof' from Soviet Russia was 'pompous folly', Chamberlain believed that Soviet Russia should not be treated as a 'leper', that some contact should be maintained, but that an attitude of 'studied reserve' would encourage the Soviet evolution to 'normal' standards.

Baldwin, unlike Lloyd George, was prepared to give his Foreign Secretary a generally free hand and,

- 
1. Pravda, 28 October 1924; Cabinet Conclusions, 19 November, 60(24)9, and 20 November 1924, 61(24)3, both CAB 23/49.
  2. Chamberlain, in Geneva, to Sir William Tyrrell, Permanent Under-Secretary, 10 June 1925, N3432/102/38, FO 371/11016.



although at times Chamberlain wished for more positive support, Baldwin did tend towards endorsing Chamberlain's Russian policy; at least he ensured that it had a fair hearing in the Cabinet discussions (1). The multi-faceted nature of the 'Russian question' brought it within the purview of Departments other than the Foreign Office. By personal and political inclination three senior Cabinet Ministers, Sir William Joynson-Hicks at the Home Office, Lord Birkenhead at the India Office, and Winston Churchill at the Treasury, preferred to reduce dealings with Soviet Russia to a minimum, and not only within the areas of their departmental competence but also in their general approach to the Russian question argued for strong measures to be taken; from the inauguration of the Baldwin Cabinet they were at odds with Chamberlain over his Russian policy (2).

However, on the next occasion when Chamberlain's Russian policy was reviewed by the Cabinet, in early July 1925, he still had sufficient support for his

- 
1. Keith Middlemas and John Barnes, Baldwin. A Biography, (London 1969) pp.342-345.
  2. Fred G. Stambrook, 'The Foreign Secretary and Foreign Policy: The Experiences of Austen Chamberlain in 1925 and 1927', in International Review of History and Political Science, August 1969, (mimeographed version) pp.18, 23-24.

- 32 -

policy of keeping a watchful eye on developments, of keeping 'formal relations as distant as possible' but reserving 'the liberty to take any action that might be deemed necessary when sufficient evidence of Soviet misdeeds was forthcoming', to be endorsed (1). Later in the month Chamberlain gave an ad hoc Cabinet sub-committee details of the evidence obtained pertaining to 'the continuous hostile activities of Soviet Agencies against the British Empire, more particularly in the East' but received unanimous approval for the continuation of his policy (2).

In January 1925, at Chamberlain's request, the Foreign Office had reviewed the whole basis of Britain's policy in Europe, and in Nicolson's resultant position paper, Soviet Russia, 'the most menacing of all our uncertainties', was largely left out of account because she was considered to be at that time more of an Asian than a European problem and because her future was so obscure that a policy of security had to be framed 'in spite of ... perhaps even because of Russia' (3). In 1924-25 it was the Asian aspects of Soviet policy which seemed the most threatening to British interests.

- 
1. Cabinet Conclusions, 8 July 1925, 36(25)3, CAB 23/50.
  2. Chamberlain to Baldwin, 24 July, and Minute by Chamberlain, 30 July 1925, Austen Chamberlain Papers, held in the University of Birmingham Library, AC 52/81.
  3. Memorandum by Nicolson, 23 January 1925, W2035/9/98, FO 371/11065.

A certain disillusionment with relations with the West prompted the Soviet leadership to refocus the emphasis of Soviet foreign policy. On the revolutionary front, the German fiasco of October 1923, and on the diplomatic front, despite the year of recognitions, signs of Germany moving closer to the other Western powers and of British hostility (as the rejection of the Anglo-Soviet Treaties was taken to signify), made the prospects in the East seem more promising. Chicherin explained the situation to the German Ambassador in Moscow, Count Ulrich von Brockdorff-Rantzau, in March 1925: 'It can be assumed that the development here will take a different course from what it has until now. At present the Soviet Union finds herself compelled to become active in Asia and her interests in the first instance point towards the east where she finds herself colliding everywhere with English interests' (1).

After the treaties signed with Persia, Afghanistan and Turkey in early 1921 reduced British influence in those areas, Soviet interest died down (although not entirely, as the detailed dispositions of the Curzon ultimatum showed), and the renewed interest in Asia in the mid-1920s centered on the Far

---

1. Cited in Harvey L. Dyck, Weimar Germany and Soviet Russia, 1926-1933, (London 1966) p.15.

East, above all China, where nationalist movements expanded during 1923-1924. The Fifth Congress of the Comintern, in July 1924, on the basis of highly optimistic reports of the success of 'communist groups' in India, reaffirmed the policy of supporting the Indian nationalists, but by criticising the lack of interest shown by the communist parties of imperialist countries in the affairs of their colonies prompted action by the British Communist Party in India in the mid-1920s (although the first emissary was to discover, in 1925, that no real communist movement existed in India). However, it was China, rather than India, which seemed to the Russians to be the more promising area; China was to be the focus of Soviet revolutionary hopes in the mid-1920s (1).

In May 1925, the Chinese Kuomintang, with Soviet encouragement and assistance, organised a violent general strike which, for a time, endangered British lives and interests in the Canton area of China. A community of interest in resistance to British imperialism cemented the alliance between Chiang Kai-shek's Kuomintang and the Russians, and not until the Northern Expedition in 1926-1927 did the basic incompatibility of the national revolution desired

---

1. Imam, op. cit. pp.204-206, 217; Carr, Socialism in One Country, op. cit. Vol 3, pp.628-647.

by Chiang and the social revolution desired by Moscow become apparent. In the short run, the disturbances provoked Conservative back-benchers and some Cabinet members to demand changes in the policy towards the Soviet Union, but Chamberlain resisted such moves. Chamberlain and the majority of Foreign Office opinion were also against any direct intervention in China against the communists, feeling that Bolshevism in China would destroy itself as it had done in Europe (1).

Stalin reviewed the European situation in May 1925 as follows: 'the revolution in Europe has begun to ebb ... a certain lull has set in, which we call the temporary stabilisation of capitalism, while at the same time the economic development and political might of the Soviet Union are increasing' (2). Stalin, winning the first round of his power struggle with Leon Trotsky, was gaining Party endorsement for his theory of 'socialism in one country', which, reduced to a simple formula, argued that socialism could be built within the confines of a single isolated state. It matched the subsidence of revolutionary hopes in Europe and implied

- 
1. Warth, op. cit. p.123, suggests that the Foreign Office 'insufficiently understood' the Chinese situation, but the materials used by Wm. Roger Louis, British Strategy in the Far East, 1919-1939, (Oxford 1971) pp.122-124, discount that assessment.
  2. J. V. Stalin, Works, (Moscow 1953-), Vol 7, p.91.

that the task of the foreign communist parties was to defend the Soviet Union.

The weakness of the British Communist Party helped to convince the Russians that the only hope of a communist success in Britain lay through a trade union united front. In August 1924 the National Minority Movement was inaugurated to work for a militant industrial policy within the unions, and this was followed, in the spring of 1925, by the establishment of the Anglo-Russian Trade Union Committee. The Politburo, particularly Mikhail Tomsky, the President of the Central Council of Russian Trade Unions, seem to have envisaged this organisation not only as a means of spreading Soviet influence through the British labour movement but also as a means of putting pressure on the Conservative Government to abandon its supposed anti-Soviet policy (1). However, Conservative opinion saw its formation as yet another example of Soviet interference in the internal affairs of Britain (2).

The Soviet leadership were suspicious of British intentions in Europe, and their fear that the new Baldwin Cabinet would pursue an anti-Soviet crusade to

- 
1. Gorodetsky, op. cit. pp.86-115; Daniel Calhoun, The United Front, (Cambridge 1976) pp.94-159; Roderick Martin, Communism and the British Trade Unions, 1924-1933, (Oxford 1969) pp.1-54.
  2. Roger Schinness, 'The Conservative Party and Anglo-Soviet Relations, 1925-7', in European Studies Review, October 1977, p.395.

the extent of organising a crusade against them does seem to have been genuine, at least initially (1). Chamberlain made it clear that the British Government 'have neither undertaken nor lent countenance to any anti-Soviet combination, nor have they any intention of so doing'; a point repeated to the Soviet Charge d'Affaires in London, Khristian Rakovsky, in conversations in January and April 1925 (2). The Foreign Office even deprecated arrangements with other European powers for the exchange of information regarding communist activities in Europe (3).

The Russians were also suspicious of the growing German rapprochement with the Western powers. For Germany the question of relations with Soviet Russia was an important one; it was also a card to be used skilfully in the negotiations for a security pact with the West. To the French and British it was not of 'prime significance', but one consideration of British policy was certainly 'the desire to convince Germany that she had more to gain from friendly relations with the west than from a commitment to the Soviet Union' (4)

- 
1. Ann Orde, Great Britain and International Security 1920-1926, (London 1978) p.126. Ponomaryov, op. cit. p.251, argues that 'the Conservative Government set itself the task of forming a system of diplomatic and military blocs with the ultimate object of starting a war against the U.S.S.R.'.
  2. Cmd. 2895, 'A Selection of Papers dealing with the Relations between His Majesty's Government and the Soviet Government, 1921-1927', pp.35-39; Chamberlain to Sir Robert Hodgson, Charge d'Affaires in Moscow, 30 March 1925, N1314/102/38, FO 371/11015.
  3. Orde, op. cit. p.128.
  4. Ibid.

The initialling of the Locarno Treaties in October 1925 was received on the Soviet side with a mixture of indignation and apprehension, for although the Treaties contained no mention of Russia, Zinoviev told the Fourteenth Party Congress in December 1925 that 'Locarno is directed against the Soviet Union ... its edge is turned against the U.S.S.R.' (1). The Germans tried to reassure the Russians that not only would Article 16 of the League of Nations Covenant not be implemented by Germany against the Soviet Union but also Chamberlain was not trying in fact to form an anti-Soviet bloc. To Gustav Stresemann, the German Foreign Minister, a continued relationship with Soviet Russia, as part of a 'balanced commitment', was central to his foreign policy aims (although Soviet-German relations were never as important as Western-German relations), so he conducted a 'holding action' vis-a-vis Soviet Russia and only in response to repeated Soviet promptings was a Trade Treaty signed in October 1925, to be followed up by the Treaty of Berlin in April 1926 (2).

- 
1. Carr, Socialism in One Country, op. cit. Vol 3, pp. 289, 428.
  2. Ibid, pp.440-454; Kurt Rosenbaum, Community of Fate, (Syracuse 1965) pp.188-219; Eleonore Breuning, 'Brockdorff-Rantzau: The "Wanderer between Two Worlds"', in C. Abramsky and Beryl Williams, Essays in Honour of E. H. Carr, (London 1974) pp.134-140.



In early November 1925, before leaving for his new appointment in Paris, Rakovsky visited Chamberlain, who was at pains to refute Soviet accusations that Locarno was the prelude to an anti-Soviet move. After expressing doubts as to whether Chamberlain's colleagues would allow him 'to give full effect' to his policy, Rakovsky enquired whether the British would change their policy as regards credits and loans to Russia. Throughout 1925 Soviet diplomats had made efforts to persuade British financial circles to grant credits; Chamberlain saw these endeavours as a sign that his policy was beginning to have an effect on the Russians (1).

In the spring of 1926, in fact, a reconsideration of the Russian policy began in the Foreign Office. Reports from the British Mission in Moscow argued that the time was right for a re-examination, not least because of the economic advantages which could accrue from better relations. Hodgson, the British Chargé d'Affaires, both during his leave in London at the end of 1925 and after returning to Moscow, argued for a 'more constructive policy'. In early May 1926 he sent his most reasoned despatch in favour of abandoning the policy of reserve (2). Moreover, a small group of

- 
1. Gorodetsky, op. cit. pp.82-83; Cmd. 2895, op. cit.pp. 39-41.
  2. H.M. Stationery Office, Documents on British Foreign Policy, 1919-1939, (London 1949 -) (hereafter cited as D.B.F.P. series/volume) Series IA/Volume I, Doc.No.504.

Conservative back-benchers returned from a visit to the Soviet Union convinced of the importance of trade links (1). Stresemann too, in explaining the details of the Soviet-German negotiations, tried to persuade the British that the policy of aloofness was no longer appropriate (2). With this weight of opinion receiving some sympathetic consideration by senior Northern Department officials, on 24 May Chamberlain decided to undertake a review of his policy, and as the first step ordered a re-examination of the 1924 Treaties to be undertaken as a basis for any renewal of negotiations (3).

However, the General Strike and the Soviet response to it destroyed the embryonic efforts to improve Anglo-Soviet relations. The development of the coal miners' strike into a General Strike had initially surprised the Russians, but determined them to give assistance through Profintern, the Red International of Labour Unions. Two attempts were made to transfer funds to the General Council, but the first sum of £26,427 was refused by the General Council on the grounds that it would be 'wilfully misrepresented and acceptance would be misunderstood', while the

- 
1. Robert Boothby, I Fight to Live, (London 1947) pp.74-86; Papers of Stanley Baldwin, held in the University Library, Cambridge, Vol.113.
  2. Gorodetsky, op. cit. pp.139-141.
  3. Minute by Chamberlain, 24 May 1926, in file N2241/387/38, FO 371/11786

second sum of £100,000 was blocked by emergency regulations introduced by Joynson-Hicks (1). After the collapse of the General Strike, the Russians decided to transfer the funds instead to the miners. The Foreign Office, on the basis of Hodgson's reports, concluded that the only point on which protest could effectively be made was the Soviet Government's granting of special permission for the transfer of funds abroad, and a memorandum on this point was handed to the Russians on 12 June (2).

Chamberlain had probably hoped to head off back-bench criticism by authorising this protest. Joynson-Hicks incautiously stated in the House of Commons on 10 June that 'some money from the Russian Government' had been received by the strikers (3), a statement which drew protests from the Russians and embarrassed the Foreign Office who felt that it was not 'susceptible of proof', and he followed up, at the Cabinet meeting of 16 June, with a demand for the expulsion of the Russians from Britain. He received support at the two lengthy Cabinet meetings from Churchill and Birkenhead, but Chamberlain, while not

- 
1. Harriette Flory, 'The Arcos Raid and the Rupture of Anglo-Soviet Relations, 1927' in Journal of Contemporary History, October 1977, p.711. See also Ernie Trory, Soviet Trade Unions and the General Strike, (Brighton 1975).
  2. D.B.F.P. IA/II, Doc.Nos. 52, 55; Gorodetsky, op. cit. pp.168-173.
  3. House of Commons Debates (hereafter cited as H.C.Deb.), Vol 196, Col 1680.

wishing to exonerate the Russians from the charges (he agreed that the Soviet trade unions were Government institutions), felt that any action in addition to the protest would be superfluous. At the end, there was 'complete unanimity' in the Cabinet that they would be 'fully justified in breaking off diplomatic relations', but the majority agreed with Chamberlain that 'the moment was not opportune for a rupture ... and that, on a long view of the situation, any immediate political advantages would soon be outweighed by practical disadvantages' (1).

Although Chamberlain had received endorsement for his policy, the strength of the opposition to him was clearly showing signs of increasing. With regard to the tentative steps towards a rapprochement with the Soviets, a member of the Northern Department commented on 26 June: 'The present agitation against the Soviet gold for the strike & the strength of feeling it reveals seem likely to have the effect of postponing any advance to the Soviet Government' (2). Moreover, the Cabinet had been in general agreement

- 
1. Cabinet Conclusions, 16 June 1926, 39(26)7 and 40(26)5, CAB 23/53. At the end, Birkenhead and Churchill 'to their astonishment and indignation' were in 'a minority of two'. Neville Chamberlain Papers, held in Birmingham University Library, N. Chamberlain to Hilda Chamberlain, 20 June 1926, NC 18/1/532.
  2. Minute on Treasury Memorandum, 26 June 1926, N2802/387/38, FO 371/11786.

that 'steps ought to be taken to enlighten the public as to the menacing character of the Soviet Government's policy', which some Cabinet members saw as licence to attack the Soviets. Churchill warned traders not to lend money to Russia; Birkenhead publicly expressed doubts about the desirability of maintaining relations; on 24 June Joynson-Hicks released a blue book of documents confiscated from the headquarters of the British Communist Party during the arrests of twelve leaders of the Party in October 1925 (all were found guilty of seditious conspiracy); Conservative back-benchers forced a debate on the issue of cancelling the 1921 Trade Agreement (which was defeated). Throughout the autumn support grew for the 'Clear Out the Reds Campaign', and at the annual Conservative Party Conference in early October a resolution in favour of breaking relations was carried (1). The Conservative press too, with the Daily Mail in the van, was increasingly critical of Soviet actions and Chamberlain's policy. By December 1926, the Foreign Office could note that 'the agitation for the expulsion of the Bolshevik Mission (or missions) from this country is becoming well-nigh irresistible' (2).

---

1. Coates, op. cit. p.244; Schinness, op. cit. pp.396-397

2. D.B.F.P. IA/II, Doc. No.350.

Such domestic pressures, both inside and outside Parliament, limited Chamberlain's freedom of action and made it also increasingly difficult for him to justify what seemed to be a policy of 'drift' rather than a 'positive' policy. On 14 December Baldwin received a deputation of Conservative back-benchers, who tried to impress on him the gravity of the situation, and, although he admitted that they had 'good reason to be uneasy', at the Cabinet meeting the following day he still seems to have been convinced of the validity of the Foreign Office's case. It has been suggested that at this meeting, Chamberlain's policy 'probably met with considerable opposition' as it was decided only to watch the development of the situation carefully and to continue the discussions after the Parliamentary recess (1).

The Committee of Imperial Defence also discussed the Russian question in the second half of 1926 in the light of doubts about Indian defences prompted by increased Soviet-Afghan tension in early 1926. The Chiefs of Staff reported in early July 1926 that as Soviet policy towards India was 'identical' with Tsarist policy (though by 'more insidious' methods), 'the integrity of Afghanistan was indispensable for the

---

1. Cabinet Conclusions, 15 December 1926, 65(26)3, CAB 23/53; Schinness, op. cit. p.398.

security of India'. Churchill agreed that Soviet policy was 'a development of the old Czarist policy disguised under a veneer of Communism' but argued that, as existing Imperial forces were inadequate for the defence of India, 'the great counterpoise of alliances and agreements' (specifically the Anglo-Japanese alliance) should be revived. Birkenhead felt that the Russians were trying to 'hem India in by a ring of Soviet republics' and urged an examination as to the degree to which Soviet Russia would be vulnerable in the event of war breaking out over Afghanistan. Chamberlain saw the issue as a political rather than a military one. He thought attempts to extend British power in Afghanistan could be counter-productive and would only increase the 'nervousness' of Soviet Russia which was 'really frightened of being attacked'; moreover, the Russians would not engage in 'open warfare' but 'by means of peaceful penetration would sow the seeds of revolution' (1).

The full Cabinet were in agreement that Birkenhead should discuss the state of India's defence with the Government of India. The spectre of a Russian military threat to the approaches to India, therefore, had arisen again. As a result of these discussions Tyrrell prepared a memorandum which agreed with Churchill

---

1. Minutes of Committee of Imperial Defence, 22 July 1926, CAB 2/4.

that a Bolshevik Russia pursuing the 'same aims' as Tsarist Russia was 'the enemy' (rather than Japan) but pointed out that neither a reconstitution of the Anglo-Japanese alliance nor war against Soviet Russia <sup>was</sup> ~~were~~ 'practical politics' (1).

On the Soviet side, the post-Locarno period saw an increase in diplomatic efforts towards the states bordering on the Soviet Union in order to prevent them being utilised as possible bases for renewed British pressure, whether in the military or economic sphere. On the Asian frontiers success was achieved with Treaties of Non-aggression and Neutrality being signed with Turkey in December 1925 and Afghanistan in August 1926. In the spring of 1926 bilateral approaches were made to the Baltic states and Finland, with the hope also of blocking Polish aspirations in that region. After Marshal Josef Pilsudski came to power in May 1926 (by a coup which the Russians suspected was master-minded by the British), Poland was seen as being strongly pro-British and anti-Soviet and as likely to become 'a jumping-off point for military intervention'. The initiatives in the Baltic area were unsuccessful, except in the case of Lithuania, which signed a Non-aggression Treaty in September 1926. The most important result of the Soviet diplomatic offensive, however, was the conclusion of the Treaty

---

1. Orde, op. cit. p.179; D.B.F.P. IA/II, Doc. No. 103.



of Berlin, which contained the provision that Germany would not join in any financial or economic boycott if Soviet Russia were to be attacked (1).

While some diplomatic successes were being recorded on the broader international front, the revolutionary arm of Soviet foreign policy was in some confusion over events in Britain. The Soviet leadership seem to have underestimated the militancy of the miners and the possibilities of a general strike, but they had to make some response, hence the monetary assistance (the miners eventually received nearly £1,200,000). The opposition of the newly-reconciled Zinoviev and Trotsky pinned the blame for the failure of the strikes on Stalin's opportunism, attacking first his attitude to the General Council and then the continued existence of the Anglo-Russian Trade Union Committee. Stalin was forced on to the defensive, but he still professed belief in the efficacy of the Anglo-Russian Committee (2). Nevertheless, he was forced into criticism of the General Council, which in turn dampened the enthusiasm of the British trade union leaders for the continued collaboration. Meetings of the Joint Committee in July and August 1926 brought

---

1. Dyck, op. cit. pp.38-40; Malbone Graham, 'The Soviet Security System' in International Conciliation, September, 1929, pp.345-425.

2. Gorodetsky, op. cit. pp.145-168.

little narrowing in the gap between the British and Soviet delegates; it failed to act as a protector of Soviet interests in a period of increasing Anglo-Soviet tension (1). Stalin worked to outmanoeuvre the 'joint opposition' by pushing the internal debate on to questions of Party discipline rather than policy, and at the Fifteenth Party Conference in November 1926 both Trotsky and Zinoviev were removed from the Politburo (2). To Stalin, the failure of the strikes in Britain seemed to justify his belief that the construction of socialism inside Russia would be 'a support, as a means, as a way to the victory of the proletarian revolution in other countries'. Taking up a Leninist argument, Stalin pointed out the corollary that foreign communist parties should repel any attacks directed against the Soviet Union, but, in the British case, the Communist Party, disrupted by the prosecution case in October 1925, confused over tactics after the General Strike, and losing membership again in the winter of 1926 after a summer boom, was unable to respond (3).

---

1. Calhoun, op, cit. pp.261-289.

2. Isaac Deutscher, The Prophet Unarmed, (Oxford 1970) pp.279-296.

3. Stalin, Works, Vol 8, pp.205-214; Gorodetsky, op. cit. pp. 193-195; E. H. Carr, A History of Soviet Russia: Foundations of a Planned Economy, Vol 3, (London 1976) p.121.

In the second half of 1926, therefore, neither the British trade unions nor the British Communist Party seemed likely to be, from the Soviet point of view, significant factors in arresting the deteriorating atmosphere in Anglo-Soviet relations. On the international level, some success had been apparent in breaking-up the encirclement supposedly being planned by Britain. Finally, in the belief that economic inducements might be an effective counter, Leonid Krasin, who had played a leading role in the negotiations for the 1921 Trade Agreement, was sent to London in September 1926 as Chargé d'Affaires. The Foreign Office adopted a non-committal attitude to his approaches, but before his death at the end of November 1926, Krasin had made a number of contacts with City and business circles (1). Summarising the situation in December 1926, the Temporary Chargé d'Affaires, Arcady Rosengolts, reported to Moscow that there had indeed been a 'coolness and deterioration of relations' in the second half of 1926, but that the Foreign Office desired 'to preserve as far as possible external correctness in relations' (2). However, as the events of early 1927 were to show, the Foreign Office's voice was not the only one in the decisions over policy towards the Soviet Union.

---

1. Coates, op, cit. pp.243-246; Gorodetsky, op, cit. pp. 185-189.

2. Ministerstvo Inostrannykh Del SSSR, Dokumenty Vneshnei Politiki SSSR, (hereafter cited as D.V.P.) (Moscow 1958 -) Vol IX, Doc.No.346.

In summing up the Foreign Office's assessment of the position and policies of Soviet Russia at the end of 1926 certain points should be noted. There was general agreement that, whatever internal doctrinal disputes there <sup>might have been</sup> ~~may have been~~, the Soviet Government had come to stay and that a certain stability, in both political and economic terms, had been acquired. The Soviet Union was seen as 'a society partly capitalist, partly Socialist, partly Communist', in which Stalin, envisaged as a man of moderation, was trying 'to keep a balance between the extremes of capitalist and communist tendencies'. Although the activities of the Comintern 'have everywhere assumed a particularly anti-British character, partly because the character and stability of the British Empire make it the chief obstacle to the spread of revolutionary communism, partly because its extent and distribution expose it at so many points to attack', Chamberlain ventured to suggest to the Imperial Conference in October 1926 that 'the next few years in Russia will show a growth of the tendency towards nationalism and away from internationalism'. These conceptions had obviously been behind the tentative moves towards reconsidering the state of relations in early 1926, but the events surrounding the General Strike in mid-1926 had jeopardised such moves and once more added confusing factors into the picture as seen by the Foreign Office.

It was agreed in the Foreign Office that the Russians had 'completely failed to carry out the undertakings with regard to propaganda assumed in the Trade Agreement'. The inter-connection of the arms of the Soviet foreign policy machine was accepted, as one member of the Northern Department observed, for 'although it may be convenient to distinguish between unfriendly acts of the nominal Soviet Government, practical antipathy on the part of the Red Trades Unions, and undisguised propaganda by the Third International, it is to be remembered that such distinction is arbitrary and that in the minds of the Bolsheviks it is, save where expediency compels its simulation, non-existent'.

Despite the efforts of the diplomats in Moscow and the intelligence services centred in London and New Delhi, the British still suffered from a lack of adequate information as to the situation inside the Soviet Union. As Chamberlain observed, 'conditions in that vast country still remain obscure, and are very imperfectly revealed by the accounts which reach us'.

Well aware of the difficulties in understanding and communicating with the Soviet Government, the Foreign Office officials, nevertheless, were still in general agreement that whatever the justification for breaking off relations, there seemed to be 'no practical

32  
advantage' in so doing (1).

- 
1. These paragraphs are based on a Foreign Office Memorandum, 27 February 1925, C.P. 181(25), CAB 24/172; Hodgson to Chamberlain, 6 May 1926, and Foreign Office minutes in N2241/387/38, FO 371/11786; D.B.F.P. IA/II, Doc. Nos. 103, 344 and Appendix.

## CHAPTER TWO: WARNING NOTES

At the end of 1926, the Foreign Office staff, aware of the growing domestic pressure in favour of drastic action against the Soviets, were again forced to reconsider the bases of their policy. Gregory, an Assistant Under-Secretary of State, had argued in June 1926 that 'there is no use in slamming a door which has only got to be opened quite soon' (1), and in a memorandum which he drew up in December 1926 he found no reason to alter that conclusion. He argued that although the ejection of the Soviets would be 'a thoroughly pleasurable proceeding' it would be 'rather the satisfaction of an emotion than an act of useful diplomacy', as 'the arguments pro and con are to some extent evenly balanced, and, though a negative policy suggests a certain paralysis, a positive policy in this case is unlikely to make things, taken as a whole, any better than they are at present' (2). After discussing with Tyrrell the alternatives to a complete break in relations, Gregory instructed the Northern Department to prepare a draft for a possible despatch to Moscow 'enumerating the iniquities of the Soviet Government in their published utterances alone';

---

1. D.B.F.P. IA/II, Doc. No. 56.

2. Ibid. Doc. No.350.

he intended, to use an expression of Tyrrell himself, to 'throw a bun' to those groups which urged a break of relations (1).

The draft was prepared by mid-January, and Chamberlain informed the Cabinet on 17 January that he proposed to print and circulate the draft so that 'they might see exactly what material was available' for a protest (2). Although prepared to give due consideration to a possible protest note, Chamberlain, still opposed to a rupture of relations, was not as yet convinced of the efficacy of sending such a protest. In order to justify his position, at the end of January 1927 he circulated to his Cabinet colleagues not only Gregory's memorandum but an exhaustive covering memorandum by himself. It was a lengthy exposition of his opposition to a rupture, based on considerations of both foreign and domestic policy (3).

- 
1. Minute by Gregory, 12 January 1927, N87/87/38, FO 371/12585.
  2. Cabinet Conclusions, 17 January 1927, 2(27)1, CAB 23/54. Gorodetsky, op. cit. p.212, writes that 'the disturbances in China served the die-hards as grounds for a resolution in Cabinet instructing Chamberlain to prepare a protest note', but in fact the Cabinet were merely 'informed' that the Foreign Office were already working on such a draft. Moreover, these instructions had been given by Gregory 'shortly before Christmas'. See the Minute cited in footnote (1) this page.
  3. D.B.F.P. IA/II, Doc. No.422.



A rupture of relations, he felt, would 'mark our displeasure and indignation' but it would not be a 'fatal or ... even a serious blow' to the Soviet Government. A break in relations was unlikely to be followed by any similar action by other powers, and it would, in fact, have a 'very disturbing effect' throughout eastern Europe, in Turkey and Persia, and, above all, in Germany, where it would 'gravely embarrass Dr. Stresemann in the pursuit of his policy of reconciliation with the West'. In domestic terms, he argued, the expulsion of the Russians 'would not prevent propaganda in this country nor stop the transfer of money to this country for use in communist agitation'. Trade interests would be affected and 'it would be represented that we were aggravating unemployment and driving trade away'. Against the background of a split within the Labour Party after the 1926 strikes and of the unresolved problem of the Trades Disputes Bill (1), a rupture would provide an issue which would reunite the two Opposition parties and present the extremists in the

- 
1. A Trades Disputes Bill, dealing with illegal strikes (which were defined as general or sympathetic strikes designed to 'coerce' the Government), had received serious consideration during the General Strike but after representations from King George V and others it was postponed. However, after further Cabinet discussion a Bill was introduced in April 1927, and with strong right-wing Conservative support was made law in July 1927. I am indebted to Mr. Julian Lax for discussing this question with me.

Labour movement with a victory. Chamberlain concluded:

'Since the breach of diplomatic relations will not seriously weaken the position of the Soviet Government, it cannot be expected that it will lead to a change of policy on their part. It will merely cause them to intensify all the acts of which we complain. What then is to be the end? We have shot our bolt. Short of declaring war, there is nothing more we can do. The situation will continue indefinitely. I can see no prospect of its leading to conditions in which we could resume relations or even renew negotiations with any prospect of success'.

These cogent arguments against a rupture of relations, enumerated at greater length than at any time during the previous two years (1), were to receive support from some Cabinet members, not least from Baldwin, but the 'flood of memoranda' during the following month leading up to the Cabinet decision on whether to undertake a protest showed the strength of Chamberlain's opponents on this issue.

In the latter part of 1926 foreign observers had noticed increased anxiety and uncertainty in Soviet foreign policy (2), and, to a considerable extent, this was a reflection of the deteriorating state of Anglo-Soviet relations, coupled with a certain

- 
1. An earlier but briefer exposition of these arguments is contained in Chamberlain's letter to Baldwin, 24 July 1925, FO 800/258. Chamberlain's belief that a break in relations would have little effect on communist agitation was forcibly spelt out in a letter to Joynson-Hicks on 24 January 1927, A. Chamberlain Papers, AC 54/25.
  2. Von Laue, op. cit. p.278.

nervousness over the German connection, which was still of importance to the Soviet side. The diplomatic offensive of 1925-26 had reached a certain hiatus, but Chicherin, who was in Western Europe for convalescence from the end of November 1926, was, as he reported to Moscow in December, determined that relations with France and Germany should be improved 'in order to prevent England from forming an anti-Soviet bloc', even though the idea of a Soviet-Franco-German grouping, floated by Litvinov, the Deputy Foreign Commissar, in conversation with the Germans in August 1926, was incompatible with German interests vis-a-vis the West (1). Speaking at a press conference in Berlin in 6 December 1926, Chicherin specifically drew attention to the 'policy of encirclement' being pursued by Britain, but added that the Soviet Union was 'fighting back, not without success'. The Soviet Government 'has offered and continues to offer the hand of peace to England, but it is left hanging in the air'. Nevertheless, there were still strong ties with Germany and the Soviet Government was 'avoiding isolation ....(by) ... establishing friendly political and ever improving economic relations with other states' (2).

- 
1. Dyck, op.cit. pp.64-65; I. Gorokhov, L. Zamyatin and I. Zemskov, G.V. Chicherin, (Moscow 1973) p.208. The Soviet Union needed German and possibly French support against Britain, but Britain seemed to be Germany's best aid against France and the Versailles system.
  2. Jane Degras, editor, Soviet Documents on Foreign Policy, (London 1952) (hereafter cited as Degras, Soviet Documents) Vol II, pp.144-147.

The measured optimism apparent in Chicherin's statement was repeated in an article in Izvestiya on 30 January 1927 by Karl Radek, an authoritative spokesman on foreign affairs, who wrote that the Soviet Union still had ample time to prevent the formation of an anti-Soviet bloc. The Soviet leadership's feelings that an English-dominated anti-Soviet front could be frustrated should be contrasted with an obvious anxiety over Anglo-Soviet relations per se. Towards the end of 1926 the Comintern began to play up 'a new danger of war' and in January 1927 several Politburo members made public speeches warning that war could come during the coming year (1). This lack of confidence vis-a-vis Britain was clear from letters to Rosengolts from Litvinov, who wrote on 15 January that 'a diplomatic rupture must be avoided at all costs' (2), and from Theodore Rothstein, a member of the Collegium of Narkomindel, who wrote later the same month: 'It seems to me that you will soon have to pack your bags. My impression is that the British Government will bring our relations to a decisive crisis in the coming spring' (3).

- 
1. John Sontag, 'The Soviet War Scare of 1926-27' in Russian Review, January 1975, pp.68-69.
  2. Popov, Anglo-Sovetskie Otnosheniya, op. cit. p.32.
  3. Ponomaryov, op. cit. p.260.

The Narkomindel were aware of the growing pressures on the Conservative Cabinet for a break. In his report of 10 December 1926, Rosengolts had told Moscow that the reasons for the coolness in Anglo-Soviet relations were 'Chinese events, the help given to the miners and, in particular, Cook's recent journey to Moscow' (1), but a conversation with Gregory on 14 January made it clear that when the British official referred to public opinion being 'very much affected by what it saw and read of anti-British action by the Soviet in various parts of the world', he had in mind primarily the events in China (2). Soviet participation in the events in China exacerbated Anglo-Soviet relations as they once again became the subject of Cabinet discussions.

In July 1926 Chiang Kai-shek launched his Northern Expedition, and the Russians and the Chinese communists, after initial reservations, decided to support it actively and turn it to their advantage (3). This movement north naturally had serious implications for British lives and interests, particularly in the

- 
1. D.V.P. Vol IX, Doc. No. 346. Arthur Cook, Secretary of the Miners' Federation, visited Moscow in December 1926. Calhoun, op, cit. pp.326-330.
  2. D.B.F.P. IA/II, Doc. No. 410.
  3. Carr, Foundations of a Planned Economy, op. cit. Vol 3, pp.698-737.

Yangtse basin, as they became the major target of the anti-foreign violence. The Foreign Office's attempts to pursue a 'patiently conciliatory' line with the Chinese Nationalists, which was to be exemplified by the 'December memorandum' (1), were severely tested when a Chinese mob seized the British concession at Hankow at the beginning of January 1927. The Cabinet decided against regaining the concessions by force but in favour of troop reinforcements at Shanghai and other settlements where British interests were of a greater magnitude (2). Despite the deteriorating situation from the point of view of safeguarding British interests, the Foreign Office still did not countenance active intervention, a step advocated with increased stridency by some sectors in Britain, to whom events in China served merely to harden their opinions about the disruptive effects of communism. Cabinet Ministers, such as Churchill, Joynson-Hicks and Leo Amery, the Colonial Secretary, publicly blamed Soviet influence for the Nationalists' anti-British attitude; an assessment endorsed by the Chiefs of Staff (3). A Northern Department official noted sorrowfully: 'the recent action of the Soviet agents in China has introduced a

- 
1. For Britain's China policy see F.S. Northedge, The Troubled Giant, (London 1966) pp.290-298; Akira Iriye, After Imperialism, (New York 1973) Atheneum ed. pp.98-103.
  2. Louis, op, cit. pp.130-132.
  3. Coates, op. cit. p.254. Joynson-Hicks wrote to Chamberlain on 7 January 1927: 'I believe that the Chinese leaders are Bolshie at heart', FO 800/260. The Chiefs of Staff report is cited in Louis, op. cit. pp.131-132.

new factor which the anti-Russian section of the community have not been slow to grasp' (1). Its influence on the Cabinet's discussions of the Russian problem in mid-February is not to be under-estimated.

The Chinese situation was the principal topic of the Seventh Plenum of E.C.C.I. in November-December 1926, when Nikolai Bukharin, who replaced Zinoviev as the head of the Comintern, noted in his report on the international situation that world revolution, despite capitalist stabilisation, was moving forward in three parallel columns, in Russia, in England, and in China. Stalin's influence was sufficient to prevent his own views on the correct policy to be adopted towards China, that is the continuance of the alliance with the Kuomintang, from being seriously challenged (2). The Plenum did call for a 'vigorous fight' against British intervention in the Chinese revolution, and in early 1927 the British Communist Party tried to translate this into practice by organising a 'Hands Off China' campaign on the lines of the successful 'Hands Off Russia' campaign in 1920. By the end of February 1927 over

- 
1. Minute by Alvary Gascoigne, 10 February 1927, N646/130/38, FO 371/12586.
  2. Charles B. McLane, Soviet Strategies in South-East Asia, (Princeton 1966) pp.53-56; Jane Degras, editor, The Communist International, 1919-1943: Documents, (hereafter cited as Degras, Comintern) (London 1965) Vol II, pp.338-348.

seventy committees had been set up, but they 'did not succeed in stopping a single troopship or other form of reinforcement' (1), and it is doubtful whether Stalin set much store by their activities.

With rumours beginning to appear in British and foreign newspapers that a British protest might be imminent, Litvinov gave an anticipatory press interview on 4 February. He dealt first with the Chinese situation, accusing some Conservatives of trying to make the Soviet Union a 'scapegoat' for Britain's own mistakes there, then reiterated that the Soviet Government respected the propaganda obligations, and finally, after pointing out the damage being done to British trade interests, tried to capitalise on the evident split in the Cabinet by expressing the hope that the 'reasonable elements in English society and in the English Government will prevail over the protagonists of the mailed fist policy' (2).

Although the Narkomindel informed the Soviet Mission in London in early February that 'here we have been keeping completely calm during the whole crisis' (3), Hodgson noted that during a conversation on 11 February Litvinov was 'in rather a perturbed state of mind'.

- 
1. L. J. MacFarlane, The British Communist Party, (London 1966) pp.178-179.
  2. D.V.P. Vol X, Doc. No. 26.
  3. Popov, Anglo-Sovetskie Otnosheniya, op.cit. p.32.



- 63 -

Despite this anxiety, Litvinov did express some confidence that attempts by the 'financial magnates' in Britain to intimidate the Soviets would 'lead to nothing' (1). He returned to the same theme in his specifically requested report to the Central Executive Committee on 21 February, but included 'certain members of the English Government' in the organisers of the 'systematic' anti-Soviet campaign, which he blamed for disturbing 'the calm atmosphere necessary for prolonged economic intercourse' and for creating a threat to peace (2). From the tone of Litvinov's conciliatory remarks and his repetition of the desire for better relations, it seems that the Moscow leadership, while displaying some anxiety, felt that a break might be avoided. Chicherin, who remained abroad throughout the first half of 1927, was not so optimistic, as will be seen.

By the time that Litvinov made his statement to the Central Executive Committee preparations were well advanced on the British side for the sending of a protest note. The initial Foreign Office draft, prepared by mid-January, consisted of a repetition of

---

1. D.B.F.P. IA/III, Doc. No. 11.

2. D.V.P. Vol X, Doc. No. 32 and note 18.

the substance of MacDonald's protest of October 1924 supplemented by a long series of quotations from the Soviet press and other published sources, concluding with a demand for the cessation of such 'hostile statements'. The Cabinet's discussion centred on the wording for the conclusion of the protest note.

Preoccupied with Chinese affairs and as yet not completely convinced as to the merits of sending a protest note, Chamberlain tended to leave the re-drafting problem to his Cabinet colleagues. Birkenhead, who was impressed by the 'compendious' material assembled, felt that the proposed ending was 'so feeble' that the Note was not worth sending. He suggested substituting a much stronger conclusion, namely that 'unless ... the anti-British campaign at home and abroad ceases forthwith', the British Government would be at liberty to terminate diplomatic relations 'forthwith and without any further negotiation or discussion' (1).

Cunliffe-Lister, the President of the Board of Trade, was more dispassionate in detailing the Anglo-Soviet trade situation. He suggested that, in the event of a rupture of relations, the Soviet Government would 'probably stop purchasing in this country' and might 'default on instalment payments for

---

1. Note by Birkenhead, 26 January 1927, C.P.24(27), CAB 24/184.

work already in hand in this country for Russia, though this would have a reaction on the credit of the Russian Government which they appear to be very anxious to build up and maintain'. On the other hand, he noted that the balance of Anglo-Soviet trade was favourable to the Soviet Union, that British exports to the Soviet Union were substantially below pre-war figures, and that the British business community was split in its attitude to the Soviet Union, and he argued that, given the existing political climate, the Soviet Union's 'absence of a large reserve of foreign currency' and the lack of British Government-guaranteed credits, there was no immediate prospect of a large scale increase in British exports to Soviet Russia (1).

However, with some encouragement from Chamberlain, two of his supporters, Sir Arthur Steel-Maitland, Minister for Labour, and Sir Arthur Balfour, Lord President of the Council, produced memoranda favouring a protest note but against any 'sensational' step such as a rupture of relations (2).

- 
1. Memorandum by Cunliffe-Lister, 28 January 1927, C.P. 27(27), CAB 24/184.
  2. Chamberlain to Balfour, 22 January 1927, Chamberlain to Steel-Maitland 26 January 1927, Balfour to Chamberlain, 26 January 1927, all FO 800/260, Steel-Maitland to Chamberlain, 7 February 1927, N589/209/38, FO 371/12589.

The Foreign Office also consulted with senior British diplomats abroad as to the likely repercussions of a change in the policy towards the Soviet Union. Gregory summed up the replies for Chamberlain's use in Cabinet discussions by noting that 'on the whole ... the balance of opinion is against an immediate breach', with one Ambassador, Sir Ronald Lindsay, in Berlin, 'definitely against it, on the grounds that it would handicap us more than the Russians' (1). Hodgson, in Moscow, objected even to a protest note and proposed instead a statement in Parliament. He returned to London on leave in mid-February and added some weight to those within the Foreign Office who argued against a rupture, as 'a mere demonstration of resentment at indignities put upon us without seeing daylight beyond would be trivial' (2).

The whole question was discussed at two long Cabinet meetings on 16 and 18 February 1927.

- 
1. Minute by Gregory, 10 February 1927, N590/209/38, FO 371/12589. Chamberlain later circulated to the Cabinet a despatch from Lindsay recording the 'anxiety' of the State-Secretary of the German Foreign Ministry, Carl von Schubert, over Anglo-Soviet tension. Memorandum by Chamberlain, 19 February 1927, C.P.66(27), CAB 24/185.
  2. Hodgson to Charles Orde, member of the Northern Department, 4 February 1927, N546/209/38, Minute by Tyrrell, 18 February 1927, N780/209/38, and Memorandum by Hodgson, February 1927, N791/209/38, all FO 371/12589. During an earlier crisis, in April 1923, Hodgson had argued against breaking off contacts. Hodgson to Curzon, 13 April 1923, N3334/3198/38, FO 371/9365.

67

The course of these two meetings is clearer from comments afterwards by participants than from the Cabinet Conclusions. Birkenhead wrote after the first meeting: 'We have had a long and indecisive Cabinet... Opinion is very strong in the party, and in the House of Commons in favour of getting rid of them (the Russians). The Foreign Office is most strongly opposed to this course. I should think that by a narrow majority it will for the moment make its view effective' (1). After the second meeting Chamberlain wrote to his sister Ida: 'The Cabinet have been very tiring and contentious, and I have been disappointed at receiving so little support from some of my colleagues and having my informed and considered opinions swept aside so lightly by them under pressure from the Daily Mail and the back benches who don't know what I know of the state of Europe and how thin the crust is on which I have to tread' (2).

Baldwin seemed 'inclined to send the protest but not break off relations', a view which predominated in the Cabinet. The brief Cabinet Conclusions noted that 'the view generally accepted by the Cabinet' was that, 'given the state of public opinion in this country, if the present policy of the Russian Soviet Government was continued a breach of relations within

- 
1. Earl of Birkenhead, The Life of F.E. Smith, First Earl of Birkenhead, (London 1959) p.537.
  2. A. Chamberlain to I. Chamberlain, 20 February 1927, A. Chamberlain Papers, AC 5/1/410.

the next few months was almost inevitable'. The Cabinet agreed that the probable <sup>e</sup>ffect on international relations did not make the moment 'opportune' for a rupture, and, moreover, 'no especially significant event had occurred, comparable to the publication of the Zinoviev Letter or the intervention of the Russian Soviet in the General Strike, to justify a sudden rupture'. In this context, Chamberlain was clearly not impressed by Churchill's arguments that bloodshed in China could be such a justification (1). The Cabinet left the bulk of the Foreign Office draft unaltered, apart from removing one of the appendices to the Note concerning trade unions (probably at Steel-Maitland's insistence) and rewriting the final paragraph to the Note. The final draft for that paragraph, which was accepted by the Cabinet at their meeting on the morning of 23 February and incorporated into the Note handed over the Rosengolts that afternoon, owed much to a compromise suggestion from Neville Chamberlain, who told his brother that he was concerned

- 
1. Memorandum by Churchill, 16 February 1927, C.P.61(27), CAB 24/185. John Davidson, Chairman of the Conservative Party, wrote to Baldwin in mid-January expressing his concern over party reactions to Chinese events, and suggesting an immediate denunciation of the Trade Agreement so as to 'save the Government's face to some extent, and throw the onus, with the whole of public opinion behind the Government, on to Russia's shoulders'. Baldwin papers, Vol. 115.

- 69 -

'to warn without shooting the bolt and to point to the state of public feeling as the danger spot'.

In the Note, the British Government warned the Soviet Government 'in the gravest terms that there are limits beyond which it is dangerous to drive public opinion in the country, and that a continuance of such acts as are here complained of must sooner or later render inevitable the abrogation of the Trade Agreement, the stipulations of which have been so flagrantly violated, and even the severance of ordinary diplomatic relations' (1).

The majority of the Cabinet evidently reasoned that a Note of protest would have the advantage of putting the Conservative government on record as taking a firm position and as such might take some of the steam out of the back bench movement, while at the same time it would leave the way open either for an improvement in relations or failing that serve as the first step towards a breach if necessary (2).

Chamberlain accepted the Cabinet decision, for reasons

- 
1. Cabinet Conclusions, 16, 18 and 23 February 1927 10(27)3, 12(27)1, and 13(27)1, all CAB 23/54; N. Chamberlain Papers, Diary entry 18 February 1927, NC 2/22; A. Chamberlain to Lord Eustace Percy, President of the Board of Education, 22 February 1927, FO 800/260. The full text of the Note is in Cmd. 2895, op.cit. pp.45-63.
  2. Flory, op.cit. p.713. Neville Chamberlain wrote to his sister Ida on 26 February that 'I am satisfied that if we had not sent it the pot would have boiled over in this country'. N. Chamberlain Papers, NC 18/1/564.

he explained to his sister Hilda: 'I took the idea of a Note as a compromise, for it gives me a little time & others a warning, but I wish rather than hope that it might not be necessary to go further' (1). By 'warning' he was thinking in terms both of Soviet Russia and of other European states. By calling the Soviet Government's attention to the existing situation, he gave them 'one more opportunity to conform their conduct to the ordinary rules of international life and comity' (2); Chamberlain clearly maintained his belief that the emergence of Stalin was a sign that the Russians were 'beginning to realise that world revolution does not pay' (3). On the other hand, as he explained to the Italian Ambassador, other countries were warned as to the 'uncertain character' of Anglo-Soviet relations and of the 'possibility that we might not be able to continue them much longer' (4).

- 
1. A. Chamberlain to Hilda Chamberlain, 27 February 1927, A. Chamberlain Papers, AC 5/1/411.
  2. H. C. Deb. Vol 203, Col 634.
  3. A. Chamberlain to H. Chamberlain, 27 February 1927, A. Chamberlain Papers, AC 5/1/411. Early in March 1927 he told Stresemann that he hoped 'much from Stalin, who was regarded as a moderate man'. Eric Sutton, Gustav Stresemann: His Diaries, Letters and Papers, (London 1940) Vol III, p.122.
  4. D.B.F.P. IA/III, Doc. No.30. Similar sentiments were expressed by Chamberlain in a letter to Lindsay, 1 March 1927, FO 800/260, and in a conversation with the Japanese Ambassador in London, Baron Matsui, 2 June 1927, A. Chamberlain papers, AC 50/341.



However, as a means of quietening back-bench clamourings, the Note was not as effective as Chamberlain had hoped. During the House of Commons debate of 3 March Chamberlain found himself under attack from two sides; from Labour and Liberal M.P.s who felt that discussions were better than representations, and from Conservative back-benchers who felt that mere representations were insufficient. Following guide-lines approved by the Cabinet that morning, Chamberlain urged 'patience and forbearance' over the Soviet Union's 'continued provocation', although he added that such patience was not unlimited (1). He carried the day, but apparently only because prior to the debate he had prevented a back-bench revolt by 'personally and confidentially' addressing a meeting of about 200 Conservative M.P.s (2). The Secretary of State for Air, Sir Samuel Hoare, wrote to the Viceroy in India assessing the situation at the beginning of March as follows: 'As I told you the die-hards are growing more and more discontented over our refusal to break with Russia and the delay in introducing trade union legislation. Stanley (Baldwin), I know, thinks that influence is veering to the moderates in the party. I take the contrary view and believe that

---

1. H.C. Deb. Vol 203, Cols 599-676 (Chamberlain's speech is Cols 626-634); Cabinet Conclusions, 3 March 1927, 14(27)1, CAB 23/54.

2. E. Sutton, op. cit. Vol III, p.121.

the drift is to the extreme right' (1). Chamberlain's policy line was to become increasingly difficult to maintain as domestic pressure grew. Rather, as Gregory had begun to realise by early February, in the light of the increased domestic concern over Chinese events, the presentation of the protest Note now left the Foreign Office caught in between the two alternatives of 'kicking the Bolsheviks out or leaving them alone altogether' (2).

The official Soviet reply to the British Note was presented by Litvinov on 26 February. He denigrated the British accusations, describing them as undocumented, and, conceding little to the British, added counter-accusations about the speeches and activities of British politicians. He ended by saying that the Soviet Government would not be intimidated by the threat of a rupture, which, if it did occur, would be solely Britain's fault (3). There is some evidence to suggest that the Moscow authorities misread the British Note as being sent merely out of deference to back-bench opinion, and therefore failed to realise, as Chamberlain himself was to realise, that it altered the situation and carried matters one step nearer to a

- 
1. Hoare to Irwin, 2 March 1927, Halifax Papers, C152/17.
  2. Minute by Gregory, 8 February 1927, N546/209/38, FO 371/12589.
  3. Degras, Soviet Documents, op. cit. Vol II, pp.159-164.

breach. Izvestiya commented that the Note 'as a threat ... will have no effect', and saw Chamberlain's speech to the Commons as a continuation of the 'no rupture and no negotiations' line (1). The keynote of the Soviet response was in Stalin's speech of 1 March, when he played down any apprehensions by saying that a rupture of relations by Britain was 'hardly likely'. He argued that there would be no war during 1927, for, although the danger of war existed, the Soviet Union's enemies 'more than anyone else fear the outcome of a war, because the workers of the West do not want to fight the U.S.S.R.... and, lastly, because we are conducting a firm and unwavering policy of peace' (2).

However, Stalin's speech roused Chicherin, in Germany, to address a letter to Stalin and Alexei Rykov, the Chairman of the Council of People's Commissars, on 11 March, in which he warned them against under-estimating British hostility towards the Soviet Union and criticised those who thought that Britain would not continue as far as a break in relations. He wrote: 'I protest against this naive and harmful self-complacency. Moscow should not close their eyes to the fact that the English campaign against us will continue, will develop, will go further' (3).

- 
1. Izvestiya, 27 February and 5 March 1927.
  2. Pravda, 3 March 1927.
  3. Gorokhov, Zamyatin and Zemskov, op.cit. p.208.

While Chicherin was arguing for a more realistic interpretation of the state of Anglo-Soviet relations, there were signs that both he and the Moscow authorities were becoming assailed again by doubts about the wider implications, that is, there was a revival of fears of an anti-Soviet bloc being formed. Crucial to this was the meeting of the League of Nations Council in Geneva in early March, at which, according to Rykov, 'perfectly concrete plans for the formation of an anti-Soviet bloc were quite seriously put forward by the English' (1). The accounts of the meetings contained in the British and German archives show that Chamberlain put forward no such suggestions, and that the tone of his press interview on 8 March, when he publicly dismissed these rumours as baseless, was indeed accurately representative of his attitude in private discussions with European diplomats (2). Stresemann in fact faithfully transmitted to Nikolai Krestinsky, the Soviet Ambassador in Berlin, the gist of the conversations with Chamberlain, including the statement that England would not conduct a war against Russia even after a rupture (3).

- 
1. Degras, Soviet Documents, op. cit. Vol II, p.365. This interpretation still receives currency from Soviet historians. See Popov, Anglo-Sovetskie Otnosheniya, op. cit. p.40.
  2. D.B.F.P. IA/III, Doc.No.39; Times, 9 March 1927. The limit of Chamberlain's efforts was to express mild regret to Stresemann that German credits to the Soviet Union had probably freed equivalent Soviet funds for propaganda purposes. E. Sutton, op.cit. Vol III, p.122.
  3. D.V.P. Vol X, Doc. No.57.

Of more moment were the reassurances the Soviets received that Germany would not support any efforts to isolate the Soviet Union. Chicherin, who had always been a strong advocate of the German connection, had written to Stalin in mid-February protesting over Bukharin's belittling of what Chicherin considered to be one of the strongest of the 'favourable factors' for Soviet foreign policy, namely the relationship with Germany (1). Despite a temporary uneasiness over the 'Excelsior incident' in early March, the Soviet diplomats' conversations with the Germans led them to feel that they could rely on German support. This confidence was expressed by Rykov at the Fourth Congress of Soviets in mid-April 1927: 'in our future relations with Germany we shall proceed on the assumption that in the event of any intrigues against the U.S.S.R. Germany will not allow itself to be used for any armed attack upon us' (2).

Although there was no attempt at Geneva to forge the anti-Soviet front which the Soviet leadership expected, the announcement during the Council's sittings that the Italian Government intended to ratify the

- 
1. Cited in article by Andrei Gromyko in Izvestiya, 5 December 1962.
  2. Degras, Soviet Documents, op. cit. Vol II, p.190. For details of the German response in March 1927 see Dyck, op. cit. pp.69-72.

10

Bessarabian Protocol (by which the Allied Powers had recognised the Roumanian sovereignty of Bessarabia) without further delay (1), caused Chicherin to see this sudden action as confirming his predictions. He wrote to Rosengolts that there was no doubt that 'Mussolini's act has been mainly stimulated by England' and that 'England's attack on us will spread all the wider' (2). This action did produce a flurry of diplomatic activity as the Soviets tried, successfully, to persuade the Japanese not to follow on with their ratification (3).

- 
1. The Protocol signed in 1920 could only come into force after all the ratifications took place. Britain ratified in 1922 and France in 1924. Alan Cassels, Mussolini's Early Diplomacy, (Princeton 1970) pp.350-352.
  2. D.V.P. Vol X, Doc.No. 64. Immediately prior to the Italian announcement Mussolini had spoken to Chamberlain 'of the probability of Italy's one day making this step, but without indicating any date'. Times, 9 March 1927.
  3. The Foreign Office were not over-anxious for Japan to follow suit. D.B.F.P. IA/III, Doc.No. 268. The Japanese, while avoiding a categorical refusal to ratify (the action urged by the Russians), also were unsympathetic to Rumanian entreaties for a speedy ratification. Japanese Foreign Ministry Archives, held in the Gaimusho Gaiko Shiryokan, Tokyo, (hereafter cited as J.F.M.A.) file 'Dairokujuyon Gikai Yochosho: Jokan'.

Soviet diplomatic soundings in a number of European countries other than Germany were in evidence in the spring of 1927. When Khristian Rakovsky returned to his post in Paris in early March, he brought with him fresh instructions for reviving the Franco-Soviet debt negotiations (which had reached an impasse in the autumn of 1926) (1). Poland was still assigned a leading role in the Soviet perceptions of Britain's policies, despite assurances from British diplomats that ideas about an Anglo-Polish bloc were 'pure nonsense', so, at the end of February, Piotr Voikov, the Soviet Minister in Warsaw, suggested to the Poles that 'the moment would seem propitious for pushing on with the negotiations' for a non-aggression pact. Negotiations with Estonia and Latvia were also resuscitated, leading to the initialling of a Soviet-Latvian treaty on 9 March 1927 (2).

The results of these diplomatic soundings, particularly the reconfirmation of the German link, must have, despite Chicherin's warnings, reassured Moscow that that the Anglo-Soviet tension could be kept to a certain extent in a watertight compartment.

- 
1. Louis Fischer, The Soviets in World Affairs, (New York 1960 - Vintage ed.) pp.521-522; D.V.P. Vol X, Doc.Nos. 66, 69, 76, 114.
  2. Josef Korbel, Poland between East and West, (Princeton 1963) p.210; D.B.F.P. IA/II, Doc.No. 62; Royal Institute of International Affairs, Survey of International Affairs, (London 1928 -) (hereafter cited as Survey, year) 1927, pp.228-229.

On 29 March Rykov was able to tell a meeting in Moscow that 'in the immediate future, neither war nor intervention on Soviet territory is expected ... In the foreseeable future, that is in the next year and a half, it is unlikely that a war will break out, provided the present distribution of power can be preserved' (1). Chamberlain, working from different premises, nevertheless had reached similar conclusions as regards the intentions of other European states vis-a-vis the Soviet Union. In support of his earlier arguments and probably with the hope of dampening some of his colleagues' enthusiasm for action, he told the Cabinet in mid-March that there was 'not the smallest sign that, if we broke off relations with Soviet Russia, any nation would follow our lead' (2).

Rykov's rider about the existing distribution of power being preserved seemed particularly relevant as two events in China in April 1927 dealt blows to Soviet aspirations in that country and had repercussions on both Anglo-Soviet relations and the internal power struggle inside the Soviet Russian leadership.

- 
1. Cited in Paul Blackstock, The Secret Road to World War II, (Chicago 1969) p.128. Directives issued to the Soviet frontier forces in early April 1927 for the coming half-year anticipated diversionary activities on the European borders but did not refer to any wider military threat. Institut Istorii SSSR, Pogranichnie Voiska SSSR, 1919-1928, (Moscow 1973) pp. 238-240.
  2. Cabinet Conclusions, 16 March 1927, 17(27)4, CAB 23/90B. See also D.B.F.P. IA/III, Doc. No. 39.



- 79 -

On 6 April 1927, acting under orders from Chang Tso-lin, a powerful war lord in north China, police entered the Soviet Legation quarters in Peking and seized a large number of papers and documents which were subsequently given wide publicity in the world press. The Soviet press depicted the raid as being inspired by the British (1) and described the documents published as counterfeit (2). The Foreign Office did not receive copies of these documents until later in the summer, and until then had to base their judgements on the press reports, which increased British suspicion of the Soviets and were seized upon eagerly by the proponents of a rupture as evidence of 'treacherous propaganda' (3).

---

1. Pravda, 8 April 1927; Popov, Anglo-Sovetskie Otnosheniya, op.cit. pp.46-53. The British, although aware of Chang's 'growing tendency' towards some kind of action, had avoided offering any encouragement. Sir Miles Lampson, Ambassador in Peking, to Chamberlain, 11 April 1927, F5130/3241/10, FO 371/12501.
2. Degras, Soviet Documents, Vol II, pp.200 202. C. Martin Wilbur and J. Lien-Ying How, Documents on Communism, Nationalism, and Soviet Advisers in China, 1918-1927, (New York 1956), examined approximately half of the documents now available in published form and believe them to be genuine.
3. See Birkenhead's comments in the House of Lords Debates, (hereafter cited as H.L.Deb) Vol 67, Col 703. After finally receiving copies of the documents, the British commented that they did not disclose 'any new aspect of Russian anti-British activities'. Memorandum by the Chief of the Imperial General Staff, October 1927, C.I.D. Paper 829-B, CAB 4/16.

The Peking raid came at a time when the Kuomintang forces had been making decisive advances in the south of China and had entered Nanking in late March 1927. Although the manner of the seizure of Nanking had raised new fears for British interests, the Cabinet maintained a policy of 'inactivity', bolstered by information about strains in the alliance between Chiang Kai-shek and the 'Left' Kuomintang faction. However, the British were as surprised as the Russians when, on 12 April, Chiang suddenly turned on the communist and left-wing organisations in Shanghai and Nanking (1). This was a major blow to the Politburo's China policy, and provided ideal ammunition for Trotsky's attacks on Stalin, for at the end of March the Opposition had begun to openly criticise Stalin's policy (2). As the British were aware, the Russians could draw solace from the losses that they had inflicted on British trade and finance in China, but this was small consolation for Stalin, who, trying to salvage something, now urged the Chinese communists to coalesce with the Left Kuomintang (3). For Chamberlain it was a justification

- 
1. Louis, op. cit. pp.133-134; Harold Isaacs, The Tragedy of the Chinese Revolution, (Stanford 1951) p.162, 175-185; 'Note on Russia and Eastern Unrest', E.U.8, 12 April 1927, N2062/1479/97, FO371/12557.
  2. Carr, Foundations of a Planned Economy, op.cit. Vol 3, pp.753-768.
  3. Degras, Soviet Documents, op. cit. Vol II, pp.193-198; Lampson to Chamberlain, 17 June 1927, F6820/3241/10, FO 371/12501.

of his China policy, and he noted that 'the communist agitators have been punished by the Chinese Nationalists with a severity and effectiveness of which no foreign Power was capable' (1). Ironically, although the April events in China proved to be a serious blow to Soviet aspirations inside China and as such an unexpected relief for Britain, the revelations of the previous Soviet activities in China only served to add fuel to the fire of the 'die-hards' (2).

In fact, as the Cabinet were well aware, evidence of Soviet subversive activities was forthcoming from sources other than the Chinese. On 16 March 1927, Sir Douglas Hogg, the Attorney-General, had reported to the Cabinet on his investigations into information received from secret sources (so secret that he 'thought it inexpedient to put anything in writing') about a communication from the Comintern to the British Communist Party. He stated that 'while he himself had no doubt as to the authenticity of the information, the evidence was not such as could be produced in a Court of Law or published'; moreover, the intelligence source would be exposed to the Russians. In the light of these circumstances and

---

1. H.C.Deb. Vol 206, Col 21.

2. Flory, op.cit. p.715; Times, 9 May 1927.

Chamberlain's review of the 'general nervousness' in Europe, the Cabinet had decided by a majority to keep relations with Soviet Russia 'on their present footing' (1).

There is little surviving evidence as to Chamberlain's attitude to relations with the Soviet Union in the late spring of 1927, but, writing to the British Ambassador in Peking a week after the above Cabinet meeting, Chamberlain reiterated his belief in his declared policy of reserve, and added that although the situation was 'very indefinite', 'a breach with Russia is unlikely at present and there are certain indications that the Soviet government are anxious to come to an understanding with us' (2). Chamberlain's coolness to attempts through inter-

- 
1. Cabinet Conclusions, 3 March, 14(27)1A, and 16 March 1927, 17(27)4, both CAB 23/90B. At a meeting with press proprietors on 14 March 1927, Joynson-Hicks made an intriguing reference to 'a war with Russia, with China and all Communists involved' which might be caused by 'the premature publication of a second Zinoviev Letter'. Home Office Memorandum, 13 June 1930, W11561/11561/50, FO 371/14939.
  2. D.B.F.P. IA/III, Doc. No.53. Chamberlain was probably referring to an informal proposal from Litvinov to the French Ambassador in Moscow, Jean Herbette, that the Soviet Government were prepared to negotiate, if the British side concretely defined propaganda. Gregory minuted that it was too early to judge whether the Russians were 'really going to turn over a new leaf'. Aristide Briand, French Foreign Minister, to Foreign Office, 11 March 1927, N1167/209/38, FO 371/12590.

mediaries to bring about some reconciliation of the two powers was probably caused by his own feelings of frustration with his Soviet counter-parts, re-inforced by the realisation that in the prevailing domestic climate it was 'deeds rather than words' that were necessary from the Soviet side (1). When he wrote to the British Ambassador in Oslo, Sir Francis Lindley, a month later, he reiterated his reluctance to introduce 'any fresh element of disturbance' into the European situation, 'particularly as it might affect Germany', but he also recognised that 'it may at any moment become impossible longer to maintain the semblance of diplomatic relations with the Soviet Government' (2).

Although the Cabinet did not meet to discuss the Russian question during the period from mid-March to mid-May 1927, several Ministers found the question brought to their attention during the Committee of Imperial Defence's discussions over the Indian defence situation. As a result of exchanges of opinion between the British and Indian Governments during the winter of 1926-1927 it became clear that Afghanistan was the focal point of both British Imperial and Soviet interests and aspirations in the Indian sub-continent.

- 
1. Some businessmen and journalists offered to act as intermediaries. Foreign Office minutes in April and May 1927, N1908, N2129, N2161/209/38, FO 371/12590.
  2. Chamberlain to Lindley, 27 April 1927, FO 800/260.

- 84 -

On 17 March 1927 the Committee of Imperial Defence discussed at length a proposal made by Churchill that a special sub-committee be set up to examine the threat to Afghanistan (and consequently India) from Soviet Russia. There was general agreement among the participants as to the inadequacy of the Indian defences, but differences of opinion were apparent over the definition of the 'integrity of Afghanistan' and the strategic implications for the defence of India. In order to effect a thorough reassessment of these bases of British policy on the borders of India, a Sub-Committee, under the chairmanship of Birkenhead, began meeting at the end of March and continued their discussions throughout the summer of 1927 (1).

Inside India the authorities kept a close watch on the nascent Indian communist movement, on the growing contacts between the British Communist Party and Indian radicals (in secret through <sup>Philip</sup> Spratt and in public through the tour of India in early 1927 by the sole British Communist M.P., Shapurji Saklatvala), on the founding of the Workers' and Peasants' party in Bengal, and on signs of the nationalist movement's growing sympathy for the Soviet Union as Anglo-Soviet

- 
1. C.I.D. Minutes, 15 February and 17 March 1927, both CAB 2/5; Memorandum by Sir Laming Worthington-Evans, Secretary of State for War, 15 March 1927, C.I.D. Paper 782-B, CAB 4/16.

relations deteriorated (1). Nevertheless, the Government of India's annual report for the 1926-1927 period was able to note that 'indigenous communism, as represented by the so-called Communist Party of India, seems to have made little appreciable headway', and, at an inter-departmental meeting in London on 6 May 1927, the India Office representative felt able to state that, although Birkenhead was still anxious over Bolshevik activities in and around India, 'the internal situation was fairly satisfactory and the Bolshevists had not made much progress' (2). In the first half of 1927, therefore, the majority of the British saw the threat to India as an external rather than an internal one.

In fact, for the Soviet leadership, China rather than India was the focus of their attention in the spring of 1927. This preoccupation meant that the fostering of the almost non-existent communist movement in India was left to British Communist Party representatives. To the Politburo and to the Comintern, India was not the most crucial factor in the Asian scene. Russian eyes as well as British eyes were on China.

- 
1. Imam, op.cit. pp.230-231; Communism in India, op.cit. pp. 116-119, 142-145.
  2. Government of India Publication Board, Government of India Report, 1926-27, (Calcutta 1927) p.289; Foreign Office Memorandum, 6 May 1927, F5346/28/10, FO 371/12421.

The events in China in the first half of April led to a certain confusion in Soviet foreign policy-making, which was reflected in Rykov's major policy report to the Fourth Congress of Soviets on 18 April 1927. He stated that 'the world situation in regard to the U.S.S.R. is considerably more alarming than it was at the time of the last congress (May 1925)', and was particularly critical of British actions in China. He blamed the February Note on the anti-Soviet agitation of a large part of the Conservative Party, and argued that a rupture of relations would be 'bound to have repercussions on the entire European political situation'. Nevertheless, he stated, the Soviet Government, being on their guard, would 'do everything possible to prevent war'. Alarm at the prospect of an imminent rupture was not evident in his remarks that the campaign of the Conservatives 'may, in certain circumstances, lead to a break' and in his references to the previous Soviet proposals to discuss outstanding questions with Britain (1). On 29 April, Kliment Voroshilov, the People's Commissar for War, referred to the provocations of neighbouring states in trying to draw the Soviet Union into war and to the consideration being given to the defence situation of the Soviet Union, but, again, there was no suggestion

---

1. Degras, Soviet Documents, op. cit. Vol II, pp.182-192.



of an imminent attack (1). Moreover, in the knowledge that their participation in the movements in China had been one of the factors exacerbating Anglo-Soviet relations, the Soviet leadership might well have considered that the reversal in Soviet fortunes in China 'should have eliminated the grounds for an unyielding British stand' (2).

Despite the warnings and criticisms from Chicherin, the Soviet leadership seem to have felt at the beginning of May 1927 that an immediate rupture of relations was unlikely; there was a certain degree of measured optimism that the Baldwin Cabinet would maintain, at least for the moment, their existing attitude of 'no rupture, no negotiations'.

In terms of Britain's policy towards the Soviet Union, the first months of 1927 had seen Chamberlain's freedom of action limited by the growing parliamentary and press dissatisfaction with his marked reluctance to bring matters to a head, by a gradual erosion of his support within the Cabinet, and by the lack of any positive response from the Soviet side to his strictures. The Foreign Office did receive indications from diplomats of other powers that the

---

1. Blackstock, op. cit. p.129.

2. Dyck, op. cit. p.87.

88

Russians wanted to avoid a rupture if possible (1), but Chamberlain required 'deeds rather than words' from the Soviet side if his position was not to be further undermined. On the day before the British Note was presented, Chamberlain had to make clear to Churchill that though 'I don't doubt the strength of feeling among a section of the Party.... I am foreign minister. I have to think of consequences' (2). The defiant note struck in that letter to Churchill covered up the reality of his lack of confidence in the future. He was certainly not sanguine when he wrote to his sister the following week about the possibility of a break with Soviet Russia:

'I fear that it will come nevertheless before long, though some of them, Stalin now their biggest force among them, are beginning to realise that world revolution does not pay them. But I doubt if they can keep off it, & the toes of my colleagues are itching to kick them even tho' it be but a useless gesture' (3).

The late spring of 1927 was indeed the lull before the storm.

- 
1. D.B.F.P. IA/II, Doc.No. 53; Sir John Tilley, Ambassador in Tokyo, to Chamberlain, 2 March 1927, N937/209/38, FO 371/12589. See also Rosenbaum, op. cit. p.242.
  2. Chamberlain to Churchill, 22 February 1927, A. Chamberlain Papers, AC 35/1/19.
  3. A. Chamberlain to H. Chamberlain, 27 February 1927, A. Chamberlain Papers, AC 5/1/411.

### CHAPTER THREE: BREAKING RELATIONS

On the afternoon of 12 May 1927, the premises known as Soviet House, at 49 Moorgate in the City of London, were entered by a strong force of Metropolitan Police and Special Branch officers, who detained the staff and began a systematic search of the premises. The search, which continued until the evening of 15 May, was carried out in pursuance of a warrant issued under the Official Secrets Act, on the grounds that a 'document of an official and highly confidential character' had been 'conveyed to Soviet House and there reproduced by means of a photo-static apparatus' (1). Soviet House was occupied by the All-Russian Co-operative Society (Arcos), the joint stock company registered under British laws, and the Soviet Trade Delegation, operating under the terms of the 1921 Trade Agreement, but, as was later explained to the Commons, it was impossible to differentiate between the offices occupied by the two organisations. The police broke into several safes in concrete strong-rooms during the search (2).

- 
1. The raid is described in H.C.Deb. Vol 206, Cols 1842-5.
  2. Ibid. Col 910.

30

The raid was prompted by information given to Joynson-Hicks on the evening of 11 May by Worthington-Evans to the effect that a British Army signals training manual had been photocopied in the Arcos offices. Joynson-Hicks immediately visited Baldwin, who gave his approval for a search, and Chamberlain, who, after inquiring of his colleague whether he would order a search of 'any business house in London entirely unconnected with Russia' in similar circumstances and receiving an affirmative answer, replied 'very well then, raid it' (1). Unpublished documentary sources show that Viscount Cecil, the Chancellor of the Duchy of Lancaster, was mistaken when he recalled later that Joynson-Hicks 'was authorised by the Cabinet to have Arcos searched' (2). Baldwin and Chamberlain had given approval for Joynson-Hicks to search Arcos, but he must have exceeded this authority when applying

---

1. Ibid. Cols 2302-3. Confirmed by a minute by Chamberlain, 17 May 1927, T6374/600/373, FO 372/2315. According to Gregory, when he heard of the raid he 'rushed off in a great state' to see Chamberlain, who 'quite unconcerned and not realising the significance of the raid said: "Oh, yes, I believe Jix did say something to me about it last night"'. Kenneth Young (editor), The Diaries of Sir Robert Bruce-Lockhart, (London 1973) p.84.
2. Viscount Cecil of Chelwood, A Great Experiment, (London 1941) p.183. Also incorrect is Bernard Newman's assertion in Spy and Counter-Spy, (London 1970) p.170, that the Cabinet met three times before authorising the raid. Neville Chamberlain wrote to his sister Hilda on 15 May: 'We have not had the slightest intimation at the Cabinet that anything of the kind was in contemplation'. N.Chamberlain Papers, NC 18/1/574

- 91 -

for the warrant the next morning, since, as a Foreign Office legal expert noted afterwards, it 'clearly empowers the search of the premises, not only of Arcos but also of the Trade Delegation' (1).

The information came from a former employee of Arcos, whose identity is still unknown (2), and was misleading only in the sense that the police were unable to locate the missing confidential document on the premises (3). The Soviet authorities were quick both to deny having any knowledge of the missing document, as elaborated in a statement on 15 May by Ivan Boev, the acting head of the Soviet Trade Delegation, and to accuse the police of planting forged documents amongst the mass of papers confiscated during the raid, thereby echoing Soviet claims made after the Peking raid one month earlier (4).

- 
1. Minute by George Warner, head of the Treaty Department, 18 May 1927, T6175/600/373, FO 372/2315. Chamberlain later explained to a meeting of European Foreign Ministers in Geneva that when he consented to the raid, he had 'no idea of a perquisition of the trade delegation premises'. D.B.F.P. 1A/III, Doc.No. 240.
  2. Amery to Dominion Governments, 24 May 1927, N2404/209/38, FO 371/12591.
  3. A.J.P. Taylor, English History, 1914-1945, (London 1965) p.255, writes that the Home Office were acting on 'a false tip' from 'a double agent'. Percy too, in his memoirs, Some Memories (London 1958) p.143, refers to 'misleading information'.
  4. Pravda, 17 May 1927; Coates, op.cit. p.273; D.V.P. Vol X, Doc.No. 123.

52

Sir Wyndham Childs, head of the Special Branch, later recalled: 'It has often been stated that the Russians were prepared for the raid. This may have been so, but all I can say is, that never did I see people more taken aback than they were' (1). The Soviet officials in both London and Moscow appear to have been surprised by the sudden raid, despite the probability that the Peking raid in April had caused the Soviet authorities to consider possible further action being taken against Soviet organisations in other countries (2). According to a telegram made public by the British, Rosengolts had informed Moscow in mid-April that, despite rumours to the contrary, 'I very much doubt the possibility of a raid on our Embassy' (3); he was correct only in so far as no raid was made on the Embassy itself.

On hearing about the raid, the Soviet diplomats tried to contact the Foreign Office, but when Dimitri Bogomolov, the First Secretary, visited the Foreign Office in the evening he was received by Michael Palairret, the head of the Northern Department, who knew

- 
1. Wyndham Childs, Episodes and Reflections, (London 1930) pp.236-237.
  2. Grigori Bessedovsky, Revelations of a Soviet Diplomat, (London 1931) p.97.
  3. This telegram, intercepted by British intelligence, was published in the White Paper, Cmd. 2874, 'Documents illustrating the Hostile Activities of the Soviet Government and the Third International against Great Britain', p.31.

nothing of the details of the raid (1). Bogomolov visited the Moorgate site, while Rosengolts, having failed to reach Chamberlain, talked over the situation with Arthur Henderson, the Labour Party whip, at the House of Commons (2). The next morning, 13 May, Rosengolts handed over a written protest to Chamberlain, complaining of police misconduct during the raid and describing the raid as 'a flagrant violation' of the diplomatic privileges of the Trade Delegation. Chamberlain, probably hoping to avoid diplomatic complications, said that he had not yet received a report from the Home Office, but that the raid was 'not an administrative act but a process of law taken in pursuance of a magistrate's warrant' (3).

The Soviet press reacted by linking the 'provocation in Peking' with the current raid and warning of the harmful affects on European and British society and economy of any rupture (4). On 17 May, Litvinov handed William Peters, the acting Charge d'Affaires, a lengthy protest note 'confirming

- 
1. H.C.Deb. Vol 206, Col 1166; Coates, op.cit.pp.269-271; Minute by Palairet, 18 May 1927, T6374/600/373, FO 372/2315.
  2. H.C.Deb. Vol 206, Cols 2292-3; Minute by Warner, 16 May 1927, T6175/600/373, FO 372/2315.
  3. D.B.F.P. IA/III, Doc.No. 193; Degras, Soviet Documents, op.cit. Vol II, pp.202-204.
  4. Pravda, 14 May 1927; Izvestiya, 14 and 15 May 1927.

and supporting M. Rosengolts's protest in the most emphatic manner', repeating the charges of diplomatic impropriety and warning of the difficulties of conducting trade in the existing situation. Litvinov ended his protest by demanding 'a clear and unequivocal reply' from the British that they intended to abide by the Trade Agreement in the future, and added that the Soviet Government reserved the right to ask for compensation later (1).

The veiled threat in this representation and statements made by representatives of the Trade Delegation that orders would be diverted from Britain unless normal conditions were restored, was clarified by a special decree passed by the Council of People's Commissars on 17 May, whereby Soviet foreign trade operations were to be 'as a general rule' confined to 'those countries with which the U.S.S.R. has normal diplomatic relations, and in which the Soviet foreign trade agencies are assured of conditions guaranteeing the possibility of an unhindered and normal course for

- 
1. Degras, Soviet Documents, op. cit. Vol II, pp.204-208. Peters reported that since 14 May the Soviet Note had been 'apparently subjected to continual redrafting'. D.B.F.P. IA/III, Doc.No. 204.



commercial operations' (1). Peters in Moscow and the Northern Department officials correctly interpreted this as 'a deliberate attempt at the eleventh hour to avert a rupture' (2), for, with the Soviet authorities unable to predict with any great certainty the probable effects of the raid, not until 21 May were instructions given for this decree to be implemented and not until 24 May did Anastasii Mikoyan, the Commissar for Foreign and Internal Trade, give a press interview in which he stated that 'we will cease all our trade operations with England', after fulfilling the already existing obligations (3). By then the Soviet authorities had become convinced of the political consequences of the raid, for as Litvinov wrote to Rosengolts: 'from all the contradictory news... it seems that one can unerringly draw the conclusion that Anglo-Soviet relations will not remain as they were before, that they will be quite inevitably changed' (4).

- 
1. Degras, Soviet Documents, op.cit. Vol II, pp.208-209. Clearly one exception to the rule was meant to be the United States, which had not yet recognised the Soviet Union.
  2. D.B.F.P. IA/III, Doc.Nos. 204, 206. Alan Hamilton-Gordon, a junior member of the Northern Department, minuted that this decree 'undoubtedly constitutes an additional argument against breaking off relations'. Minute, 21 May 1927, N2312/9/38, FO 371/12581.
  3. D.B.F.P. IA/III, Doc.No. 206; Pravda, 25 May 1927. Gorodetsky, op.cit. p.226, criticises the view that this decree was an attempt to forestall diplomatic action, but the progression of events show that not until after Baldwin's Commons statement was the threat actually put into action.
  4. Ponomaryov, op.cit. p.260.

The apparent initial Soviet hesitation in drawing conclusions from the raid was caused by signs that the British Cabinet were still not in complete agreement over what course to pursue in the aftermath of the raid. The matter was not, in fact, brought before the Cabinet until 19 May; until then it was dealt with by the Home Office and the Foreign Office. At a meeting on the afternoon of 13 May, the Foreign Office legal experts discussed with Home Office officials the questions arising from the Soviet claims of immunity. The Foreign Office opinion was that while immunity under Article 5 of the 1921 Agreement might logically extend to the office of the Soviet trade representative, it could not include the whole building (1). However, at Home Office instigation, the search was extended to all the offices in the building; at a further interdepartmental meeting on 16 May the Foreign Office representatives acquiesced in the interpretation that the various offices had not been 'properly identified and delimited', so that they were indistinguishable to the police (2). At this stage the Foreign Office officials were thinking in

- 
1. D.B.F.P. IA/III, Doc.Nos. 194, 212. Lev Khinchuk, Head of the Soviet Trade Delegation, did not have any diplomatic privileges but he was entitled to certain privileges under the Trade Agreement by virtue of also being the Soviet Official Agent.
  2. Minute by Harold Scott, a senior Home Office official, 17 May 1927, T6727/600/373, FO 372/2315.

terms of replying to Rosengolts's Note by expressing regret at the search but dismissing the claims to diplomatic immunity (1).

On 18 May the Foreign Office received copies of the material seized by the police and a covering report from the Special Branch. The Northern Department's cautious comments, as made by Palairat, were that although the Trade Delegation were 'entirely discredited', 'I do not see that any of the facts disclosed herein can be taken as incriminating either the Soviet Diplomatic Mission or the Soviet Government' (2). The documents consisted of lists of addresses of communist individuals and organisations in Britain and the rest of the world, correspondence concerning contacts with British trade unions and, particularly, seamen, and application forms for membership of the National Minority Movement (3).

- 
1. Scott to Warner, 16 May 1927, T6175/600/373, and related drafts in T6116 and T6299/600/373, all FO 372/2315.
  2. Scott to Warner, 18 May 1927, N2289/2187/38, FO 371/12602. The Special Branch report included with Scott's letter contained many phrases about 'incontrovertible evidence', but the Northern Department were sceptical as to what exactly was proved. See minutes in same file. On 15 May, Chamberlain had written to his sister Ida: 'to tell you the truth I have no great faith in Sir W. Childs or in some of his people'. A. Chamberlain Papers, AC 5/1/418.
  3. Nine of these documents were subsequently published in the White Paper, Cmd.2874, op.cit.pp.4-28. It is difficult to reconcile the statement of Flory, op.cit. p.726, that the police took away 'an estimated 250,000 pieces of incriminating evidence' with that of Childs himself, op.cit. p.225, that 'the whole of our bag at Arcos was inserted' in the White Paper.

Early the next morning Chamberlain discussed with his senior officials and Childs the contents of these documents and a draft statement prepared by Joynson-Hicks. Records of this meeting are not available, but it seems to have been crucial in making Chamberlain realise that diplomatic consequences were inevitable in the existing political climate. Gregory argued that there could be no via media, that it would be necessary to admit that the Arcos revelations either added nothing new and so did not affect existing relations or that they were of 'such gravity that we cannot consistently allow any Bolshevik of any kind to remain in our midst' (1). Chamberlain was concerned with providing a 'justification' for their action. On 15 May he had written to his sister, while the raid was still in progress, about his lack of confidence in the Special Branch, saying: 'I can only trust that they will find something worth all the fuss. They & we will look foolish if they don't' (2). After his meeting with his officials on 19 May he wrote to Baldwin that the Home Secretary's statement 'appears to me to present the case in so weak a form as to amount practically to a

- 
1. Gregory to Chamberlain, 19 May 1927, FO 800/260. Gregory did not urge, as Gorodetsky mistakenly interprets his letter (op.cit. p.227), expelling all the Russians; he saw it only as one of the alternatives, the other being doing nothing.
  2. A. Chamberlain to I. Chamberlain, 15 May 1927, A. Chamberlain Papers, AC 5/1/418.

confession of failure' (1). Chamberlain probably considered the Arcos revelations as sufficient to indict the Trade Delegation (immediately after the meeting with his officials he went to see off Briand, who had been accompanying the French President on a visit to Britain, and told him that the results of the search were 'graver than I had anticipated')(2), but he was also appreciative of Gregory's arguments about the difficulties of a half-way position; this left only the alternative of a full rupture.

He prepared his own draft for the Cabinet meeting later that morning, and as he explained to Baldwin, it was a justification so complete that 'the only criticism to be made upon it is that it must almost certainly involve the dismissal of the Soviet Mission' (3). However, at the Cabinet meeting, neither his nor Joynson<sup>4</sup>Hicks' draft was thought to be appropriate, and a special committee, under the chairmanship of the Lord Chancellor, Lord Cave, was set up to prepare a redraft. The Cabinet minutes, vague as they are, suggest that a full rupture had not yet been accepted as policy by the whole Cabinet, as Amery was

- 
1. Chamberlain to Baldwin, 19 May 1927, A. Chamberlain Papers, AC 38/3/2.
  2. D.B.F.P. IA/III, Doc. No. 201.
  3. Chamberlain to Baldwin, 19 May 1927, A. Chamberlain Papers, AC 38/3/2.

instructed only to warn the Dominions that the Cabinet might decide at their next meeting on removing the Trade Delegation from London (1).

Only limited evidence is available as to the opinions of other Cabinet members. Two supporters of Chamberlain's earlier opposition to a rupture wrote to him advocating steps of less finality than a complete break. Percy considered that the Arcos raid evidence did not necessarily show more than the necessity to expel the Trade Delegation officials and possibly Rosengolts, so leaving the decision for a complete break, if it came, to come from Moscow (2). Balfour was diffident in expressing what he realised was a minority opinion, but he suggested that the Soviet Government should be given one further opportunity to make new proposals for methods to prevent 'the sinister combinations of legitimate trade with illegitimate propaganda' (3).

- 
1. Cabinet Conclusions, 19 May 1927, 32(27)2, CAB 23/55. Neither of the drafts are extant. Joynson-Hicks wrote to Baldwin on 20 May that Chamberlain's draft was 'merely a re-hash' of his own but 'spattered over with "Daily Mail" adjectives'. Baldwin Papers, Vol 115. This particular letter reads like an attempt at self-justification and ingratiating.
  2. Percy to Chamberlain, 19 May 1927, A. Chamberlain Papers, AC 54/418.
  3. Balfour to Chamberlain, 20 May 1927, N2309/209/38, FO 371/12590.

Neither of these Ministers, however, were members of the Cabinet Committee which sat for three hours on 19 May and again for a long session the following morning to hammer out a redraft of the proposed statement. The trend of their discussions can be surmised from Chamberlain's enquiry of his officials later on 20 May as to the correct procedures involved on the assumption that the Trade Agreement would be denounced and the respective diplomatic missions withdrawn. Nevertheless, he himself still showed some reservations: 'I am not even sure that we ought to denounce the T.A. as a whole ... It is the special privileges of article V which we should necessarily terminate' (1).

On 23 May the Cabinet met to discuss the statement drawn up by Cave's Committee. There was 'general agreement' that the Trade Agreement should be terminated and that the Trade Delegation and 'all individuals in Arcos known to be engaged in propaganda work' should be expelled, although Arcos should be allowed to continue trading. The Cabinet also agreed

- 
1. Joynson-Hicks to Baldwin, 20 May 1927, Baldwin Papers, Vol 115; Minute by Chamberlain, 20 May 1927, N2309/209/38, FO 371/12590. Gregory minuted on 21 May that it did not seem possible, without Soviet agreement, to revoke the special privileges of Articles IV and V of the Trade Agreement.



that it would be impossible to allow the Soviet Mission to remain because of its links with the Trade Delegation and Arcos and because of 'overwhelming secret evidence of unquestionable authenticity' that it too had engaged in 'in illicit interference in the internal affairs' of Britain. However, as Cave pointed out to the Cabinet, 'the complicity of the Soviet Diplomatic Mission at Chesham House with the propagandist activities of 49, Moorgate, could not be completely substantiated from the documents seized at the latter establishment, and that this could only be done by using secret documents of a class which it is not usual to quote in published statements'. Referring back to the precedent of the 1923 Curzon ultimatum, the Cabinet sanctioned the publication of the secret material. According to the Cabinet minutes, Chamberlain said that

'though he would still have preferred, from the point of view of foreign policy, to avoid a rupture of relations if that had been possible, the situation was no longer the same as when the Cabinet last discussed the matter, and the ill effects, if any, on the general European situation would now be much less. He ... was quite prepared for a rupture if the Cabinet decided to approve publication of that portion of the secret information which he thought suitable for the purpose' (1)

---

1. Cabinet Conclusions, 23 May 1927, 33(27)1, CAB 23/55.



The additional secret material was included in Baldwin's statement to the Commons on 24 May 1927 and in the subsequently published White Paper. The items chosen were seven intercepted telegrams, one between the Narkomindel and the Soviet Ambassador in Peking (about Michael Borodin, the Soviet representative attached to the Kuomintang), the others from Rosengolts to the Narkomindel (two about disclaiming Soviet Government responsibility for Borodin, two about supplies of information for anti-British campaigns, and two concerning cyphers and documents in Soviet premises in London). Baldwin's statement concluded that 'both military espionage and subversive activities throughout the British Empire ... were directed and carried out from Soviet House', although the published documents contained detailed evidence of Soviet propaganda activities but minimal evidence of the material undoubtedly available from the British secret service on Soviet espionage activities (1).

Louis Fischer has written that 'by basing its policy of rupture on the Arcos raid, the British Government removed its real grievances from the lime-light' (2). However, on the contrary, care was taken in the Foreign Office to draw up the note to be presented

- 
1. H.C. Deb. Vol 206, Cols 1842-1845; Cmd. 2874, op.cit. pp. 29-31.
  2. Louis Fischer, The Soviets in World Affairs, (New York 1960 - Vintage ed.) p.509.

104

to the Soviet Government in such a way 'as to base our action in denouncing the Agreement not on the Arcos discoveries but on our previous complaints for which no satisfaction has been given, with the result of the raid brought in merely as a reinforcement' (1).

At Chamberlain's suggestion the decision to break was announced in Baldwin's statement on 24 May, but the actual notification of the step was only to be handed over to the Russians after the Commons debate on 26 May (2). In the debate, Chamberlain said that the British Government had 'practised forbearance until forbearance was out-worn; and reviewed Soviet intransigence over anti-British propaganda 'not merely abroad, not merely in Asia, but in this country'. While admitting that the published material had been in the Government's possession 'much of it for a long time and some of it for only a short time', he refused to elucidate on the methods by which this material was obtained. He was careful to point out that trade should continue. Joynson-Hicks ended the debate with

- 
1. Minute by Gregory, 21 May 1927, N2309/209/38, FO 371/12590.
  2. Chamberlain to Baldwin, 23 May 1927, Baldwin Papers, Vol 115. After listening to Baldwin's statement, the Labour M.P. and writer, Sidney Webb (later Lord Passfield) wrote to his wife: 'We thought that Austen Chamberlain looked unhappy but Churchill triumphant'. Passfield Papers, held in the British Library of Political and Economic Science, London, II. 3(i).

further references to the Soviet 'spy network' in Britain. Conservative back-benchers were enthusiastic about the course of events, and, in the absence of Liberal support, the Labour Party's motion of calling for a committee of inquiry was defeated by a large majority (1).

The following morning a Note, detailing the termination of the 1921 Trade Agreement and the 'suspension' of diplomatic relations, was handed over to Rosengolts. As in the February Note, reference was made to British public opinion, which was said now to have reached the 'limits of its \*patience'. Again it was made clear that the Government did not wish to 'interfere with the ordinary course of legitimate Anglo-Russian trade' (2). The use of the word 'suspended' may have been utilised by the Foreign Office to denote a more 'temporary' state, but this nuance of procedure made no practical difference to the actual break in relations as implemented by the withdrawal of the respective diplomats (3).

- 
1. H.C.Deb. Vol 206, Cols 2195-2326; Spectator, 28 May 1927.
  2. D.B.F.P. IA/III, Doc.No. 215.
  3. Sir Robert Clive, Minister in Teheran, told a Persian Minister of Court that there appeared to be 'a very great difference between the words suspension and rupture'. D.B.F.P. IA/III, Doc.No. 520. Herbert Malkin, a legal expert, minuted on 19 May that a rupture could be 'a suspension, possibly temporary, of diplomatic relations pending amendment of behaviour, or something more permanent'. N2309/209/38, FO 371/12590.

With the Cabinet's policy at last becoming clear after Baldwin's statement, the Soviet side attempted to reply to the charges. On 25 May the Soviet Mission issued a statement denying having received or sent any of the telegrams quoted by Baldwin (1), and, in Moscow, Litvinov gave a press interview in which he described the rupture as 'no casual or unexpected event' connected with the Arcos raid, but as the 'logical conclusion' of the Conservatives' anti-Soviet policy; the rupture was interpreted as 'an energetic preparation for war' (2). The official Soviet reply to the British Note, handed to Peters by Litvinov on 28 May, dismissed the British charges as 'entirely groundless', described the underlying cause of the rupture as the failure of British policies in China and the immediate cause as the need 'to distract public attention from the failure of the senseless police raid' (3).

With this exchange completed, the Russians in Britain prepared to leave within the ten-day deadline. After a farewell lunch at the House of Commons, hosted

- 
1. Coates, op.cit. p.278.
  2. Xenia Eudin and Harold Fisher, Soviet Russia and the West, 1920-1927, (Stanford 1957), pp.377-379.
  3. Degras, Soviet Documents, op.cit. Vol II, pp.212-214.

10.

by some Labour M.P.s, the Russian officials of the Mission and the Trade Delegation left London on 3 and 4 June; Peters and the staff of the British Mission left Moscow on 3 June. The Norwegian Government consented to take charge of British interests in the Soviet Union, while Germany was to do the same for Soviet interests in Britain (1).

During the two weeks of uncertainty following the start of the Arcos raid, both British and Soviet diplomats attempted to assess the probable wider diplomatic implications of a rupture of relations. For both countries, France and Italy, rather than Germany, were to be the focus of their attention in this period of hiatus. Chamberlain took the opportunity of Briand's visit to London to explain to him, on 18 May, the trend of British policy, although pointing out his own reluctance to 'allow things to come to a crisis' (2). Having received assurances about German policy earlier in the spring, Chicherin felt that France might be the key to any wider anti-Soviet action; he went to Paris to talk with the French leaders, and was still there when the rupture was announced. During his talk with Briand on 24 May, Chicherin received categorical assurances that France was 'not bound by anything, having her own Russian policy' and would

- 
1. D.B.F.P. IA/III, Doc.No. 217; Coates, op.cit. pp.282, 289-290; Dyck, op.cit. pp. 87-88.
  2. D.B.F.P. IA/III, Doc.No. 201.

- 108 -

'not support the English offensive'; Briand was also confident that Britain did not have any intentions of war (1).

On 17 and 20 May, Chamberlain had two conversations with the Italian Ambassador in London, Antonio Bordonaro, in which he referred to the possibility of a rupture and made a cautious inquiry as to what attitude Italy might take in the event of a rupture. The Ambassador was non-committal, and although Mussolini did telegraph to his Ambassador later expressing his 'genuine satisfaction' at the prospect of a breach (2), the Italians seem to have been easily diverted from any similar action by tempting Soviet proposals to channel orders away from England and towards Italy (3). So with regard to Italy too, the Russians could feel a certain confidence.

On the Soviet Union's western borders the role of Poland could be crucial, so on 14 May the Soviets attempted to revive the flagging Soviet-Polish

- 
1. D.V.P. Vol X, Doc.No. 131, See also Doc.No.130.
  2. Ministero Degli Affari Esteri, I Documenti Diplomatici Italiani, Settima Serie, (Rome 1953 -) (hereafter cited as D.D.It) Vol 5, Doc.Nos. 204, 213. I am indebted to Dr. E. Breuning for her translations of the Italian documents used in this thesis.
  3. Ibid, Doc.No. 288, On 20 May, Mikoyan informed the Italian Ambassador in Moscow of the Soviet desire to 'extend operations with Italy,' in particular imports from Italy'. S.V. Nikonova, Antisovetskaya Vneshnei Politika Angliiskaya Konservatorov, 1924-1927, (Moscow 1963) p.221.

negotiations by handing the Polish Minister in Moscow, Stanislas Patek, a new draft of a pact of non-aggression and neutrality, to which an additional protocol would countenance Poland's obligations to Roumania (one of the stumbling blocks in the negotiations) (1). Chicherin also received assurances from Briand that France 'was restraining and would restrain Poland' (2). In the Far Eastern context too, in order to prevent any recurrence of an Anglo-Japanese alliance, Valerian Dovgalevsky, the Ambassador in Tokyo, was instructed to raise again the question of a Soviet-Japanese non-aggression pact; this he did in conversation with the Japanese Prime Minister and Foreign Minister, Tanaka Giichi, on 24 May (3).

As in March 1927 so in May 1927, the Soviet leadership responded to the uncertainty of Anglo-Soviet relations with tactical diplomatic soundings of other major powers in order to frustrate the formation of any anti-Soviet bloc. On the economic as well as the political level, efforts were made to prevent any further isolation.

- 
1. Fischer, op.cit. p.533; D.V.P. Vol X, Doc.No. 125.
  2. Ibid, Doc.No. 131.
  3. Ibid, note 17; J.F.M.A., file B.1.O.O.J/R 5, 'Nisso Fukashin Joyaku Kankei Ikken'.

Although continuing to deny any intention of joining the League of Nations, during 1926 the Soviet Government did express some willingness to participate in international discussions on economic matters and disarmament. Having taken steps to settle the Swiss-Soviet dispute over the Vorovsky Incident of 1923, a Soviet delegation, which included Khinchuk, was attending the World Economic Conference in Geneva when the Arcos raid took place. During the Conference, which lasted until 23 May, the Soviet delegates expressed their desire for peaceful co-existence and, stressing the significance of the Soviet economy for world markets, endeavoured to break down the Soviet Union's comparative isolation in order to obtain credits. Although no direct and tangible results accrued, contacts with other delegations were established and in a general sense 'broke the ice' (1). Khinchuk issued a statement on 16 May describing the Arcos raid as the 'severest blow' and an 'obstacle' to the development of economic co-existence between Soviet Russia and the western economies, but, although the claim that the Arcos raid was organised for the purpose of

---

1. Kathryn Davis, The Soviets at Geneva, (Geneva 1934) pp. 199-211; Carr, Foundations of a Planned Economy, op. cit. Vol 3, p.107; British Delegation to Cunliffe-Lister, 24 May 1927, W4891/53/98, FO 411/5.



destroying this rapprochement in Geneva has received some credence, it must be considered as speculative and undocumented (1).

The revolutionary arm of Soviet foreign policy was unable to act to any degree influentially through Stalin's chosen instrument, the Anglo-Russian Trade Union Committee, even though, as Daniel Calhoun has written, 'it was for use in just such circumstances' that Stalin had insisted on preserving it (2). There were some signs in early 1927 of attempts on both the Soviet and British side to patch up the relationship, which had suffered from Soviet criticisms of the General Council after the General Strike, and, after the presentation of the February Note, the General Council agreed to convene the Committee in Berlin at the end of March. At this meeting there was 'an unexpected truce', in which both sides, concerned about a further deterioration in Anglo-Soviet relations, made some concessions. However, this only spurred Trotsky to attack once again the existence of the Committee during a session of the Party Central Committee in mid-April 1927; Tomskey and Bukharin defended the collaboration. The fragile nature of this collaboration was

---

1. Fischer, op.cit. pp.503-504; Warth, op.cit. p.125; Francis Delaisi, 'Oil and the Arcos Raid', in Foreign Affairs, October 1927, p.108.

2. Calhoun, op.cit. p.348..

exposed when Tomsy criticised the General Council's ineffective opposition to the Cabinet's Trade Disputes Bill in early May, so that when he sent an urgent request on 14 May for a meeting of the joint Committee to discuss responses to the Arcos raid, the British side's response was more concerned with reproaching Tomsy for breaking his pledge given in Berlin to refrain from interfering in the Trades Union Congress's internal affairs (1). It was a rebuff for the Soviet leadership.

In considering the individual views of the British Cabinet members on the Arcos raid and the decision to break relations, it seems that the group of Ministers led by Joynson-Hicks, Churchill and Birkenhead, who urged 'positive' action rather than protests to deal with Soviet anti-British activities and who had been in a minority in Cabinet discussions in mid-1926 and early 1927, had gained sufficient support from other Cabinet members who had tended to lose faith in Chamberlain's 'passive' policy. This tendency was partly conditioned by the growth of intra-party dissent, the back-bench feeling against continuing relations with Soviet Russia. As parliamentary and extra-parliamentary opinion was inflamed by

---

1. Ibid, pp.330-347; Gorodetsky, op.cit. pp.240-244.

the events in China in January and March 1927, the pressure on the Cabinet increased and restricted the options available for responding to an event such as the Arcos raid. The knowledge of continuous Soviet activities, proven by the secret material provided by Chamberlain rather than by the Arcos revelations, may well have caused the majority of the Cabinet to 'lose patience' with the Russians.

Given his belief that Britain should not suffer from 'the intrusion of alien States whose political philosophy might be different' (1), his feeling that Chamberlain was being 'indulgent to a fault' in dealing with specific breaches of the Trade Agreement, and his knowledge that earlier raids on Soviet organisations in other countries had produced incriminating evidence of Soviet propaganda and espionage activities, Joynson-Hicks would not have hesitated to authorise the search for the missing document immediately on learning of the details of the case. As one Cabinet member later recalled, it was the kind of action which was 'difficult for the Foreign Secretary or Prime Minister either to veto in advance or to refuse to support afterwards' (2).

- 
1. H.A. Taylor, Jix, Viscount Brentford, (London 1933) p.235. A.J.P. Taylor, op.cit. p.242, comments that Joynson-Hicks 'saw a communist under every bed'.
  2. Percy, op.cit. p.508.

Churchill's views during May 1927 remain unknown, but were probably not dissimilar to Birkenhead's, as expressed in a letter to the Viceroy of India on 26 May: 'At last we have got rid of the Bolshevists. Personally I am delighted, though I think we ought to have done so the moment the General Election was over; and I have been trying to procure such a decision ever since' (1).

There seems some likelihood, nevertheless, that certain members of the Cabinet, particularly Percy and Balfour (judging from their letters to Chamberlain after the raid) and also Cecil, were still not convinced of the efficacy of breaking of relations (2). However, Baldwin was less inclined to take a lead in Cabinet discussions than previously and he must have concurred with the majority (3).

Louis Fischer has referred to reports that Chamberlain 'nearly resigned after the Arcos raid out of protest against Joynson-Hicks' action' (4). Although

- 
1. Birkenhead, op.cit. pp.538-539.
  2. Schinness, op.cit. p.402. Cecil's comments in his memoirs, op.cit. p.183, and Irwin's appeal to him in April 1927: 'Do not let the Cabinet break with the Soviet if you can help it' are suggestive of his views. Irwin to Cecil, 6 April 1927, Halifax Papers, held in the India Office Library, London, C 152/17.
  3. His ill health after April 1927 made 'his indisposition to take a lead ... more marked than ever'. N. Chamberlain Papers, Diary entry, 16 June 1927, NC 2/22
  4. Fischer, op.cit. p.508.

115

he does not seem to have contemplated resignation and in public was always careful to maintain Cabinet solidarity, deprecating efforts to dissociate him from responsibility, he had been placed in a difficult position in having to provide an adequate defence of the Government's action once the diplomatic implications became apparent. His policy of 'drift' had been increasingly difficult to maintain in the Cabinet from 1924 onwards. His difficulties were compounded because on a personal level he found himself in conflict with some of his closest friends in the Cabinet (1), and because, by 1927, his relative standing vis-a-vis his colleagues was declining. As his brother Neville was to comment in August 1927: 'Austen is becoming more and more divorced from Home politics... He is a sort of Elder Statesman now'; in the words of one historian, 'while some prestige and influence might accrue from this status, it is scarcely a position of power' (2).

- 
1. Writing to Churchill on 22 February 1927, Chamberlain described as 'a cruel turn of fate' the differences which separated them. A. Chamberlain Papers, AC 35/1/19. Cecil wrote to Irwin on 7 June 1927 that he was doing his best to prevent Chamberlain 'giving way' to Birkenhead and Churchill, who seemed 'really insane' on foreign policy questions. Cecil Papers, held in the British Museum, London, Add. 51084.
  2. N. Chamberlain to Irwin, 25 August 1927, Halifax Papers, C 152/17; Stambrook, op. cit. pp.22-23. Chamberlain's health was also deteriorating. Sir Charles Petrie, The Life and Letters of Sir Austen Chamberlain, (London 1939) Vol II, p.316.

Chamberlain himself was losing patience with the unrelenting Soviet anti-British activities, and, having prepared the other major European powers to a certain extent through his conversations in the spring and again immediately after the Arcos raid, and having decided that there was no real alternative to a rupture in the circumstances, he clearly committed himself to making the best possible case for the British action in breaking off relations. He was trying to regain the initiative from his Cabinet colleagues.

Short of repudiating the action taken by Joynson-Hicks (a step which would have meant political suicide), the Cabinet had no real alternative but to make public some or all of the material collected during the raid. However, it is doubtful if such a step alone would have served to 'assuage anti-Russian feelings in the country'. A back-bench revolt had been averted in March 1927 at the time of the debate on the February Note, but it might not have been averted in May 1927 if the Cabinet had decided against a rupture of relations.

Chamberlain's earlier reservations about the foreign political repercussions carried less weight with his colleagues in view of an apparently generally calm Europe and a collapse of Soviet policies in China.

117

Chamberlain was anxious to minimise the impediments to trade, but his colleagues, while agreeing that Arcos should remain, were less convinced of the value of Anglo-Soviet trade to the British economy. They would have noted the review prepared by Cunliffe-Lister in the spring, in which it was argued that the British business world itself was divided in its attitude towards trade with the Soviet Union and that the absolute and relative trade totals were small. The Cabinet anticipated that anyway trade would 'continue on the same basis as it is conducted in the United States of America and other countries which have no Trade Agreement with the Soviets' (1), without fully appreciating the freedom given to the Soviet Government by the monopoly of foreign trade to alter their trading patterns for purely political reasons if desired.

Economic and foreign policy considerations, therefore, did not weigh as heavily with the Cabinet as domestic policy considerations, which seemed to favour a strong line. In April 1927, accompanied by

---

1. Cabinet Conclusions, 23 May 1927, 33(27)1, CAB 23/55. Chamberlain noted on 20 May: 'I have no idea of a general expulsion or internment of all Russians as in a case of war ... As to Arcos it might be run by Englishmen or by Russians'. N2309/209/38, FO 371/12590.

strong back-bench agitation, the Trades Disputes Bill had been introduced; at the end of June, Sir Samuel Hoare, the Secretary of State for Air, wrote to the Viceroy of India that the Bill and the rupture 'have strengthened the Party and have prevented the Government getting weaker' (1). Certainly the Conservative back-benchers let out a cheer at the announcement of the rupture; from then on the Russian question lost immediacy as a subject for back-bench dissent.

For the Politburo, the break in relations came at an unfortunate time in domestic political terms, as Stalin was already under attack from Trotsky over the developments in China. Trotsky's criticisms at the Central Committee plenum in mid-April were repeated with more vehemence at the Eighth Plenum of E.C.C.I., which opened on 18 May and was still in session when the diplomatic break was announced. On 26 May the United Opposition submitted the 'Declaration of the 83', drawn up 'under the impulse of the Chinese fiasco and the breach of relations with Great Britain', which criticised the Stalinist leadership's ability to guide the Party in the event of war. Stalin and Bukharin were forced on to the defensive; largely avoiding

---

1. Hoare to Irwin, 22 June 1927, Halifax Papers, C152/17.



reference to the British issue, they concentrated on the Comintern's policy in China and the new issue, the imminent threat of war. Stalin argued in effect that, in these circumstances, there should be a closing of the ranks. He concluded that the British threat of 'war and intervention' and the Opposition's threat of a 'split' meant that 'something like a united front from Chamberlain to Trotsky is being formed' (1). Stalin, who had made efforts during 1926 to advance his stature as an international communist (despite his reported private criticism of the Comintern's effectiveness) and to cultivate foreign communists, encountered little support in the E.C.C.I. for Trotsky's line.

To the Soviet policy-makers, the conflicting signs of British intentions during the fortnight between the raid and the rupture precluded initial certainty that a rupture would indeed take place. The Narkomindel, judging from a later article in the official journal, Mezhdunarodnaya Zhizn, still saw the Cabinet in terms of 'two tendencies' and thought that the 'moderates' might still prevent a rupture (2).

- 
1. Carr, Foundations of a Planned Economy, op.cit. Vol 2, pp. 25-26, Vol 3, pp. 142-148, 768-773; Degras, Comintern, op.cit. Vol II, pp.365-39.
  2. Article in Mezhdunarodnaya Zhizn, July 1927, pp. 3-13, by I. Taigin (probably Ivan Maisky, Counsellor in Soviet Mission, London, 1925-1927).

The obscurity and uncertainty of the British side's discussions on action after the raid is clear from the belief of the British Ambassador in Berlin, Lindsay, as late as 21 May, that there would be no break 'unless the Russians chose to take the action of breaking off' (1). Soviet responses therefore were limited to threatening economic reprisals, to trying to activate the Anglo-Russian Trade Union Committee and the labour movement against a break, and to launching into a series of diplomatic conversations with other powers to dissuade them from following up on any British action. More wide-ranging responses had to be considered after the British decision was known, and the international horizon appeared more threatening to the Soviet Union.

---

1. Lindsay to Orme Sargent, head of Central Department, 21 May 1927, N2338/2187/38, FO 371/12603.

#### CHAPTER FOUR: WAR SCARES

After the British announcement of the break in relations, the Soviet press increased their references to the danger of war. On 29 May, the Eighth Plenum of E.C.C.I. adopted theses relating to the 'danger of war', and three days later the Plenum of the Moscow Soviet endorsed a report given by Rykov, Chairman of the Council of People's Commissars, on the threat of war in the existing international situation (1). Demonstrations and meetings were organised throughout the Soviet Union to protest against the British action and also to act as a stimulant for production from the defence industries, under the slogan of 'our answer to Chamberlain' (2). Nevertheless, in contrast to these public reactions, on 27 May, the day after the rupture, Litvinov told a German diplomat that 'although England, undoubtedly, will strive for our isolation and even for war, she will come up against considerable difficulties and this process will take a long time. At the moment we have no fears at all' (3).

- 
1. Degras, Comintern, op.cit. Vol II, pp.377-381; Eudin and Fisher, op. cit. pp.379-381.
  2. D.B.F.P. IA/III, Doc.No. 198; Allan Monkhouse, Moscow 1911-1933, (Boston 1934) p.239.
  3. D.V.P. Vol X, Doc.No. 137.

Litvinov's initial confidence was based on the assumption that France and Italy were unlikely to follow Britain in taking action. However, as tension rose in Europe in the aftermath of the break, the Soviet leadership soon displayed signs of nervousness. Chicherin, still abroad, travelled to Germany to try to confirm that the German link would hold. On 7 June he met Stresemann, who 'categorically and very firmly' assured the Russian that Germany's relations with the Soviet Union would remain unchanged. Characterising the rupture as 'absurd from the point of view of foreign policy', Chicherin expressed his fears about further action by extremist elements in the Conservative Party and suggested that they might influence the Poles into provoking a war. Stresemann however rejected the idea that the Poles would act aggressively (1). Chicherin's anxiety is understandable, given the Soviet Union's relative isolation, for even the better informed Germans, despite Stresemann's assurances to Chicherin, found grounds for doubt as to future British policy. Disgruntled at not being as closely informed by the British as had the French (and indeed the Italians), the Germans tried to analyse the

---

1. Ibid, Doc.No. 160; Dyck, op.cit. pp.88-91.

conflicting evidence from Britain. A senior German Foreign Ministry official concluded ambivalently that, although 'it is as unlikely that England will wage war on Russia by herself as it is that she will succeed in winning over Poland or Rumania for this task', it was 'unlikely that it will be possible to keep the conflict localised in this fashion for long' and the danger existed that 'the British action may bring about a return to the dangerous and thus far ineffective policy of forcible intervention' (1).

The idea that Britain would utilise 'other hands' to carry out aggressive plans seems to have received credence amongst the Russians. Even Litvinov, in his comments to the Germans on 27 May, had added a caveat that 'some small states, incapable of resistance, may well succumb to the influence of England'. In this respect the Baltic border states were considered crucial. At the end of May, instructions were sent to the Soviet units guarding the frontiers warning them against 'attempts to provoke us into frontier clashes' and the probable increase in 'subversive activities, encouraged

---

1. German Foreign Ministry Archives (hereafter cited as G.F.M.A.), Memorandum by Herbert von Dirksen, head of the Eastern Department, 3 June 1927, serial 6698/H106612-18. I am indebted to Dr. E. Breuning for her translations of certain unpublished German documents used in this thesis.

and subsidised by the English, in the European border areas' (1). Moreover, the assassination of Voikov, the Soviet Ambassador in Poland, on 7 June 1927, was seen as just such an example of British instigation. While an acrimonious exchange of notes took place between the Polish and Soviet Governments, the Soviet press seized the chance to attack the guiding hand of Britain (2). On the same evening, a bomb exploded in the Leningrad Party club, and this too was blamed on British agents. Izvestiya described these acts as being directly connected with the rupture; they were only 'the first link in a chain of criminal attacks' (3). The general fear of war which had been expressed at various times, such as early in 1927, was heightened by the series of events in May and early June 1927 into a 'war scare' which was probably genuine in its essentials (however unwarranted in actuality), but in its later stages was utilised and intensified for internal purposes.

Other European states showed a marked reluctance to follow the British example, and the only state to sever relations was Canada, which acted in order to avoid confusion as to the exact state of

- 
1. Pogranichnie Voiska, op.cit. pp.240, 537.
  2. D.V.P. Vol X, Doc.Nos. 153, 154, 159, 177.
  3. D.B.F.P. IA/III, Doc.No. 232; Izvestiya, 9 June 1927.

120

Canadian-Soviet relations (1). E. H. Carr has written that 'the British Government, or at any rate Chamberlain, had counted on French and German sympathy and support' (2), but, on the contrary, Chamberlain's contacts with European diplomats and politicians, at the March 1927 League meeting in Geneva and after the Arcos raid in London, can have left him with little doubt that there would be no support for a rupture from Europe. His awareness of this is clear from his comment to the Italian Ambassador in London on 20 May: 'We must follow our own course and meet the consequences alone' (3). Indeed, later in 1927, he was to state that it would have been of 'some anxiety' to him if other powers, particularly France, had broken relations, as he did not want the Russians 'left with no-one to talk to except the Germans' (4). The British side, in fact,

- 
1. The reason was not the unmasking of 'a complete spy centre' in Canada as a result of the Arcos raid as Newman, op.cit. p.171, asserts, but the uncertain constitutional position. Department of External Affairs, Documents on Canadian External Relations, (hereafter cited as D.Can.E.R.) (Ottawa 1971 -) Vol 4, Doc.Nos. 959, 961, 962, 964-966, and Aloysius Balawyder, Canadian-Soviet Relations between the World Wars, (Toronto 1972) pp. 96-104.
  2. Carr, Foundations of a Planned Economy, op.cit. Vol 3, p. 27.
  3. D.D.It. Vol V, Doc.No. 218.
  4. D.B.F.P. IA/IV, Doc.No. 111.

strove to depict the rupture as merely an isolated act. On 27 May Baldwin explained to a meeting at the Albert Hall: 'Our decision was not the result of a deep-laid plot to get up a world combination against Russia... (it) does not in any way mean or imply war against Russia' (1). Gregory assured the Germans that the break was 'in no sense whatever the prelude to some wider policy' (2).

The meeting of the League Council in Geneva in mid-June 1927 was an opportunity for Chamberlain to impress on foreign diplomats the fact that there was no intention of taking any further action, but, at the same time, this meeting increased Soviet fears of joint anti-Soviet action. This theme, expressed forcibly in the Soviet press contemporaneously, has received endorsement by some historians, such as Litvinov's biographer, who has written that at this Geneva session Chamberlain 'again tried to create a united front' (3). However, documentary accounts of the meetings show that Chamberlain's subsequent disclaimer to the Commons that 'no proposals were made by anyone for a joint conference with Russia, nor for any joint

---

1. Times, 28 May 1927.

2. D.B.F.P. IA/III, Doc.No. 225.

3. Arthur U. Pope, Maxim Litvinoff, (New York 1943) p.221; Izvestiya, 16 June 1927; Pravda, 15 June 1927; Bolshevik, 15 June 1927.



action in regard to Russia' was accurate (1). Both in a private conversation with Stresemann and in a meeting of the Six Powers on 14 June, Chamberlain gave explanations of the British action, characterising it as an act of 'national defence' which had 'no ulterior intentions'. There was little positive support, as Briand and Emile Vandervelde, the Belgian Foreign Minister, supported Stresemann's argument that the maintenance of diplomatic relations was the first condition for turning the Soviet Union into a 'normal state'. The German dilemma of being caught in a potential conflict between the Locarno and Berlin Treaties was apparent when Stresemann reluctantly had to agree to the suggestion of Chamberlain (endorsed by the others present) to 'make use of his relations with Chicherin' to warn against the danger to peace in Europe of a sharpening of the Soviet-Polish dispute(2). German representations on this point, however, weakened Soviet confidence in the German link of their foreign policy and served to increase their apprehensions; it was yet another factor in the 'war scare' (3).

---

1. H.C.Deb. Vol 208, Col 1237.

2. D.B.F.P. IA/III, Doc.No. 240. Other accounts of this meeting, in substantial agreement, are by Stresemann in E. Sutton, op.cit. Vol III, pp. 161-165; by Vittorio Scialoja in D.D.It. Vol V, Doc.No. 274; and by Ishii Itaro in J.F.M.A. file A.2.2.O.C/R. 1, Vol 1.

3. Dyck, op.cit. pp.89, 95-96, suggests that this factor was 'more important' than the Voikov case.

110

Concomitant with the 'war scare', publicity was given in the Soviet press to the activities of the staff of the former British Mission in Moscow, who were accused of espionage and directing groups of saboteurs. In the reprisals enacted by the secret policy<sup>e</sup>, the O.G.P.U., against suspected terrorists, the name of Britain figured large in the indictments of the victims (1). After one group was executed in June 1927, Hodgson, now attached temporarily to the Northern Department, was moved to issue a dementi to the press denying the accusations of British espionage (2). The executions only served to rouse public opinion in the European countries against such terror tactics, and, in England, three prominent Labour M.P.s took the unprecedented step of sending a letter of protest to the Russians (3). This prompted two responses from Moscow: from Rykov, apologetic, explaining that they were 'beset by difficulties which seem to be underestimated' in Britain, and from Stalin, scathing, describing the M.P.s as 'worse than enemies' because they did not understand that the executions

- 
1. D.B.F.P. IA/III, Doc.No. 232; Pogranichnie Voiska, op.cit. p.537; Paul Scheffer, Seven Years in Soviet Russia, (London 1931) pp. 247-251.
  2. Times, 13 June 1927.
  3. Ibid, 30 June, 14 September 1927; International Press Correspondence (hereafter cited as Inprecor), 7 July 1927. Briand told Stresemann that the executions were 'a crazy proceeding' which had 'created a very large number of enemies for Russia'. E. Sutton, op. cit. Vol III, p.156.

were 'a necessary measure for the defense of the revolution' (1).

Chamberlain and the Foreign Office, however, were determined not to add to this state of nervousness shown by the Soviets. Apart from Chamberlain's explanations to his European counterparts in Geneva in mid-June, various Government spokesmen made public pronouncements designed to dissipate suspicions of British policy. Even Birkenhead made a speech at the beginning of June in which he declared that he envisaged no permanent estrangement between the two powers. Questioned in the Commons, the Foreign Office spokesman endorsed that statement as Government policy, provided that the initiative for improving relations came from the Soviet side (2). The Foreign Office also strongly opposed, and gained Baldwin's support, in rejecting a suggestion from the Conservative Party Chairman, Davidson, that extracts from Hodgson's reports, showing the Soviet regime in an unfavourable light, should be published in a White Paper (3).

- 
1. Inprecor, 7 July 1927; Degras, Soviet Documents, op.cit. Vol II, p.237.
  2. Coates, op.cit. p.290; H.C.Deb. Vol 207, Cols 977-978. A month later Birkenhead publicly declared: 'We are not so foolish ... as to declare a perpetual edict of hostility against any people'. Coates, op.cit. p.298.
  3. Davidson to Baldwin, July 1927, Baldwin Papers, Vol 113.

The clearest indication of British policy came from Chamberlain, in the House of Commons on 28 July 1927. He reiterated that the door was not closed to an approach from the Soviet side. Although the 'general policy of hostility' of the Soviet Government had made relations impossible to maintain,

'trade may go on. We will do nothing to interfere with it, and we have no desire to push, and no intention of pushing our differences any farther ... If they make an approach, they will no doubt state the conditions on which it is made, and we can discuss them, but relations cannot be resumed subject to the old abuses' (1).

The Soviet response to Chamberlain's statement was enunciated at the Joint Plenum of the Central Committee and the Central Control Commission, which opened on 29 July. However, the tone for this meeting was set by Stalin's lengthy article in Pravda the day before (the same day as Chamberlain's statement). He deliberately heightened the 'war scare', by warning that there was a 'real and material threat of a new war', stressing the growth of the contradictions between the capitalist powers and between these powers and the victims of imperialism, and outlining the role of Britain in preparing for war. With the United Opposition having continued their attacks on Stalin's

---

1. H.C. Deb. Vol 209, Col 1530.

foreign policy setbacks, Stalin re-emphasised a theme he had touched on at the Eighth Plenum of E.C.C.I. in May and argued that Party unity was at a premium, depicting the dissenters as potential traitors: 'Our task consists in strengthening our rear and clearing out the rubbish' (1).

At the Plenum itself, Chicherin, who had returned to Moscow at the end of June, presented his analysis of the international situation, in which he reportedly argued that war could be avoided and that by using favourable factors, such as the German link and the desire of business circles in various European countries for greater trade, the British anti-Soviet plans could be frustrated and war prevented (2). He gave a press interview on 5 August in which he specifically replied to Chamberlain, saying that Moscow had received 'no proposals whatever, either official or semi-official' from the British side about resuming relations, but that the Soviet Government were ready to start negotiations at any time if Britain put forward actual proposals and gave guarantees that

- 
1. Degras, Soviet Documents, op.cit. Vol II, pp.233-237. The Japanese Ambassador in Moscow saw some significance in the heightening of the 'war scare' after Stalin's return from a rest in the Caucasus. J.F.M.A. file A.2.2.O.C/R 1, Vol 1.
  2. The general lines of Chicherin's report, still unpublished, are noted in Gorokhov, Zamyatin and Zemskov, op. cit. p.211.

there would be no further raids (1). Despite the moderate tone of Chicherin's pronouncements, the Plenum's resolution on the international situation referred to the 'extremely strained relations' between the Soviet Union and Britain, which was depicted as encircling and preparing for war against the former (2).

The difference in emphasis between Chicherin's and Stalin's assessments can be explained by Chicherin's concern only with the diplomatic situation in Europe, where it seemed that the alleged English threat was not so imminent and was being relatively successfully counteracted, and Stalin's concern with the internal political situation and the use to which the 'danger of war' theme could be utilised in the final stages of his struggle with the Trotskyist Opposition. This had still not been finally resolved, since the Joint Plenum agreed only to censure Trotsky and Zinoviev, rather than take any more positive action. By August, therefore, the Stalinist position on the war danger was increasingly showing elements of manipulation.

In domestic economic terms, the fear of renewed intervention and nervousness over possible war with Britain and/or the limitrophes caused the peasants

---

1. D.V.P. Vol X, Doc.No. 196.

2. Ibid, Doc.No. 197.

133

to panic and to start hoarding goods, with resultant shortages in the cities. In August 1927, Bukharin was forced to point out that economic dislocation such as hoarding and price increases were being caused by the foreign threats (1). Foreign diplomats noted that the war psychosis was resulting in troop movements and increased armament production in the summer of 1927, although no large-scale mobilisation seems to have occurred (2). More attention was devoted to discussions on solving the immediate needs of developing the defence industries and the long-term requirements of planning, larger capital investment and collectivisation. Differences between Stalin and the Bukharinists were to become apparent later in 1928 as the issues of collectivisation and the tempo of industrial growth became the subject of argument during the evolution of the drafts of the Five Year Plan, which began to come under serious discussion towards the end of 1927 (3).

- 
1. E.H.Carr and R.W.Davies, A History of Soviet Russia: Foundations of a Planned Economy, (London 1969)  
Vol 1, pp. 699-700; Izvestiya, 18 August 1927.
  2. Dyck, op. cit. pp.97-98; Jean Herbette, Un Diplomate Français Parle du Peril Bolcheviste, (Paris 1943)  
p. 52; John Erickson, The Soviet High Command,  
(New York 1962) p. 285.
  3. Carr and Davies, Foundations of a Planned Economy,  
op. cit. Vol 1, pp. 296-302, 426.

That some elements of genuine fear were still operative was clear from the Soviet reaction to the 'Rakovsky affair' in France in September 1927. French right-wing circles had protested strongly against Rakovsky, the Ambassador in Paris, signing a Trotskyist manifesto calling on the armed forces of bourgeois countries to desert in the event of war with the Soviet Union, and, although the affair was initially smoothed over, early in October the French asked for his recall (1). The Soviet agreement, albeit reluctant, to comply with the French request (which Izvestiya described as evidence of 'the pressure of the war-mongers of English imperialism') demonstrated the genuine anxiety in Moscow about any sign of disturbance to the international situation and the necessity to prevent Britain and France combining together (2).

However, with the Franco-Soviet dispute settled and few concrete signs of England gathering further support on the international scene, and Stalin's victory over the United Opposition becoming all but complete (at the end of September Trotsky was expelled

- 
1. Fischer, op. cit. pp. 520-527; Degras, Soviet Documents, op. cit. Vol II, pp. 247-254, 270-273.
  2. Izvestiya, 14 October 1927; D.B.F.P. IA/IV, Doc.No. 82.



from E.C.C.I. and in late October Trotsky and Zinoviev were expelled from the Central Committee), the autumn saw signs of a toning down of the war scare. Mikhail Kalinin, the President of the Central Executive Committee, speaking in mid-October, emphasised the antagonistic attitude of Britain and France, but added: 'When we speak about the danger of war this does not mean that there will be war tomorrow. No, we only point out the systematic continuous preparation for war against the U.S.S.R.' (1). A few days later, Rykov presented a report on the international situation to the Central Executive Committee but without mentioning the war danger in any detail (2). In a speech at the end of October, Stalin reemphasised the successes of the Soviet Union's peaceful policy and shifted ground to criticise the 'hysterics' of the Opposition since 'we are not at war despite the repeated prophecies of Zinoviev and others' (3). This gradual change in the atmosphere was noticeable to visitors to Russia, and an American businessman told the British press that 'the idea of war with England...seems to have faded away' (4).

---

1. D.V.P. Vol X, Doc.No. 239.

2. Degras, Soviet Documents, op.cit. Vol II, pp.273-274.

3. Stalin, Works, Vol 10, pp.205-206.

4. Manchester Guardian, 4 November 1927.

During the summer the Foreign Office tried to assess, from the limited information available to them, the reasons for the war scare. In January 1927, Hodgson had written a despatch on the prevalence of 'war scares' in the Soviet Union, in which he argued that this psychosis of the Bolsheviks was caused in effect by a guilty conscience, and that 'having made up their mind that, objectively, the premises for aggression exist, they are industriously seeking for symptoms by which to confirm their premises' (1). He found no reason to alter his views when he assessed the summer war scare, merely adding that the Soviet Government were 'obsessed with fears of aggression and encirclement' (2). Chamberlain felt that 'the Russians were as frightened of us as we are of them, and were very afraid that we were pursuing a policy of encirclement... Undoubtedly the Soviet Government was nervous, and yet continually played with fire in exaggerating the prospects of war. This was done for the purpose of home consumption' (3). His analysis showed some appreciation of the elements of genuine fear and calculation behind the Soviet war scare in the summer of 1927.

---

1. D.B.F.P. IA/II, Doc.No. 428.

2. Defence of India Sub-Committee Minutes, 5 July 1927, CAB 16/83.

3. C.I.D. Minutes, 14 July 1927, CAB 2/5.

As the summer progressed, the general impression gained by the Foreign Office from the reports forwarded through the Norwegian Government (from early September the British Ambassador in Oslo was allowed to see some of the despatches from the Norwegian Ambassador in Moscow) and from information from other sources was of 'anxiety' on the part of the Soviet Government (1). Chamberlain continued, however, to try to avoid any action which would unnecessarily add to this Soviet anxiety, because, as he explained to the Committee of Imperial Defence, 'continual reference to an inevitable crisis...often tended to bring that crisis about'. He therefore urged that the 'utmost discretion' be observed in any discussions regarding possible Soviet aggression (2). Chamberlain followed up this cautionary appeal to his Cabinet colleagues with a circular to all his diplomatic and consular officials abroad on the sensitive question of the attitude to be adopted towards Russian emigres who plagued British officials with 'plans' for action against the Soviet Union. Noting the increase in approaches from these circles, and the dangers of

- 
1. Lindley to Chamberlain, 5 September 1927, N4298/309/38, FO 371/12595. The chief diplomatic sources of information for Britain were the Poles and the Norwegians. The expulsion of the majority of the Russians from London and the revelations of the interception of Soviet communications (the Russians changed their codes and cyphers in turn) must have reduced significantly the amount of secret material available.
  2. C.I.D. Minutes, 14 July 1927, CAB 2/5.

misrepresentation, Chamberlain impressed on his diplomats the importance of endeavouring 'to avoid official and semi-official intercourse with Russian emigres' and 'to keep them at arm's length' (1).

As the imminence of war was gradually played down in Soviet pronouncements, the British noted a corresponding rise in Soviet references to British attempts to form an economic or financial blockade of the Soviet Union. Soviet efforts to gain credits, particularly long-term credits, from the West in order to finance machinery imports had had only limited success during 1926-1927. Negotiations with Germany had produced a credit of 300 million marks (partially Government-guaranteed) in July 1926, but in the case of Britain, although by 1926-1927 nearly half of all Soviet orders were on some kind of credit, the banks and companies were reluctant to grant large or long-term credits. Negotiations did start in January 1927 between the Midland Bank and the Russians; some headway began to be made in early May but the talks were still uncompleted when the Arcos raid and the rupture took place.(2). Attempts by the Soviet side to characterise

- 
1. Memorandum by Chamberlain, 30 September 1927, N4786/263/38, FO 371/12594.
  2. D.V.P. Vol X, Doc.Nos. 115, 135; Reginald McKenna, Chairman of the Midland Bank, to James Grigg, Private Secretary to Churchill, 26 May 1927, N2554/9/38, FO 371/12581.

the Arcos raid as a deliberate attempt to wreck this agreement (a view endorsed by some historians) suffer from the lack of any concrete evidence (1). Nevertheless, the rupture did have a dampening effect on the City's consideration of long-term credits. The Midland Bank credit negotiations were never revived (2), and the Soviet authorities suspected British industrialists of exerting pressure on European and American banks and businessmen not to take part in credit transactions with the Russians during the summer and autumn of 1927 (3). The Russians responded by skilfully trying to play off the British and the Germans in an attempt to obtain the necessary credits and disrupt any financial blockage, but few credits were obtained (4).

- 
1. When Rosengolts referred to the agreement in conversation on 13 May, it was the first that Chamberlain knew of the negotiations. H.C. Deb. Vol 206, Cols 2009-2010. Coates, op.cit. p.278, and Fischer, op.cit. pp.504, 511, support contemporary Soviet accusations. The 'oil hypothesis' which posits Sir Henry Deterding, head of Royal Dutch Shell, as a conspirator behind the scene, is also unproven. Glyn Roberts, The Most Powerful Man in the World, (New York 1938) pp.271-276; Warth, op.cit. pp.124-125.
  2. Bessedovsky, op.cit. pp.229-233, claims that Stalin personally vetoed renewing negotiations. Litvinov later implied that negotiations were not renewed because better terms were found in other countries. Degras, Soviet Documents, op.cit. Vol II, p.350. Personal enquiry of the Midland Bank Ltd. in October 1971 failed to elicit any further information on the fate of this agreement.
  3. D.V.P. Vol X, Doc.Nos. 138, 148.
  4. D.B.F.P. IA/IV, Doc.Nos. 65, 73.

140

With Britain unlikely to be the source of badly-needed credits, it was important for the Soviet Union to maintain the level of exports to Britain, so obtaining useful foreign currency, while diverting orders to other countries. On 10 June 1927, the Trade Commissar, Mikoyan, stated optimistically that 'I think we will successfully solve the problem of finding a substitute for the English market, for our sales and purchases, in other countries' (1). This sounded like the full implementation of economic reprisals threatened by the Russians prior to the rupture of relations. The British, however, refused to take the Soviet threats of retaliation after the rupture as anything more than a 'bogey'. A Treasury expert summed up:

'It is obvious that a diplomatic rupture with Russia must tend to have a depressing effect on trade between this country and Russia... (but) it will be observed: 1. that the totals are not very large, and 2. that the balance has always been in favour of Russia. In other words, a cessation of trade is more likely to damage Russia, both relatively and absolutely, than to damage this country' (2).

- 
1. Pravda, 15 June 1927. Also, *ibid*, 26 May and 18 June 1927.
  2. Sir Otto Niemayer, Comptroller of Finance at the Treasury, to Walford Selby, Chamberlain's Private Secretary, 25 May 1927, N2451/9/38, FO 371/12581; D.B.F.P. IA/III, Doc.No. 273.

However, contrary to the British projections and, indeed, the impression given by Mikoyan's pronouncement, Soviet trade planners were curtailing their orders in Britain while working to maintain as far as possible the same level of exports, thereby shifting the balance of trade further in the Soviet Union's favour. This policy did not become fully reflected in the trade figures until 1928, because the fulfilment of orders placed before the break and seasonal variations obscured the change. The figures for British exports to the Soviet Union were only slightly lower in the second half of 1927 than in the second half of 1926, though there was a drastic reduction in the value of the re-export of imported merchandise (1).

Aware that Anglo-Soviet trade represented only a relatively small percentage of Britain's foreign trade, indeed, British exports to the Soviet Union represented only 2% of all British exports in 1926 (see Appendix Two of this thesis), the Russians stressed the potential of the Soviet market. A Narkomindel official wrote in July 1927 that 'true, Anglo-Soviet trade does not play a particularly large role in the general turnover of British foreign trade (although for distinct branches of industry, e.g. for

---

1. H.C. Deb. Vol 210, Cols 2-3, 823-825.

mechanical engineering, the Soviet market already has a very high value), however, there are great possibilities here' (1). Difficulties not only in Britain but also in other countries in obtaining credits amplified Soviet feelings of economic isolation; these feelings were to form one of the underpinnings of the drive to increase domestic industrial machinery output under the Five Year Plan and so reduce the dependence in the long run on foreign sources.

With the Trade Delegation in London closed down, the Arcos offices and staff became the main mechanism for Anglo-Soviet trade operations. Sufficient numbers of Russians, provided that they were engaged in bona fide commercial transactions, were allowed to stay in Britain to enable the attenuated Arcos to carry on its trading operations (2). Joynson-Hicks kept a vigilant eye on the activities of these Russians, but, in response to representations from certain British industrialists in the autumn of 1927, he showed himself prepared to grant visas to Soviet employees for longer periods than previously in order to facilitate trade (3).

- 
1. Mezhdunarodnaya Zhizn, July 1927.
  2. D.B.F.P. IA/III, Doc.Nos. 223, 229. Provisional arrangements had been made for members of the Independent Labour Party to become directors of Arcos and other Soviet trading organisations in the event of mass expulsions of Russians. Fenner Brockway, Inside the Left, (London 1942) p.254.
  3. Times, 14 November 1927; Joynson-Hicks to Sir Philip Nash, Chairman of Metro-Vickers Ltd., 14 October 1927, Department of Overseas Trade file D.O.T. 17036, B.T. 60/15/3.



145

In his statement to the Commons at the end of July 1927, Chamberlain had made it clear that the British Government would do nothing to interfere with Anglo-Soviet trade, and this policy was generally adhered to by the Government representatives. One minor exception should be noted. A campaign mounted in the summer of 1927 by the Daily Mail and Deterding's Royal Dutch Shell to boycott Soviet oil imports evidently received an unofficial response from Joynson-Hicks, who encouraged the leading oil groups 'to agree among themselves not to buy Russian oil', In order to make Government policy consistent, Cunliffe-Lister brought the question before the Cabinet, which endorsed his policy proposal that 'while every British subject is <sup>to</sup> free to buy or not as he pleases', it would be the Government's practice 'to avoid buying goods formerly the property of their own nationals which have been confiscated without payment' (1). However, with no greater measure of Government support, the press campaign died out in mid-1928, and Soviet oil exports to Britain once again began to increase (2).

- 
1. Coates, op.cit. pp.291-294; Memorandum by Cunliffe-Lister, 22 November 1927, C.P. 289(27), CAB 24/189; Cabinet Conclusions, 23 November 1927, 57(27)8, CAB 23/55. The ban covered the purchases of timber as well as oil by Government departments.
  2. Deterding abandoned his personal vendetta in February 1929 when he came to a compromise agreement with the Russians. Hans Heymann, 'Oil in Soviet-Western Relations in the Inter-War Years', in American Slavic and East European Review, December 1948, p.312.

144

The difficulties met in the Soviet efforts to redirect and rebuild their foreign trade activities occasionally surfaced in public. In mid-August Rykov told a Communist Party meeting that the break 'brings with it great difficulties for our foreign trade', with the result that the expansion of trade in 1927-1928 would be less than planned (1). A frank article in the Trade Commissariat's newspaper, Ekonomicheskaya Zhizn, in November 1927, stated that 'the rupture with England created certain difficulties in the sale of individual export commodities, in the execution of the import plan, and in the matter of credit relations' (2).

The damage that would be done to Anglo-Soviet trade as a result was one of the major reasons for the Labour movement's opposition to the rupture of relations, and during the summer of 1927, the Trades Union Congress, the Co-operatives Congress and the Labour Party Conference all passed resolutions condemning the rupture and its economic consequences (3). However, there was a limit to the Labour movement's sympathy for the Soviet Union, in that the urgent telegrams from Tomskey calling for a meeting of the Anglo-Russian Trade Union Committee met with a cool response, even after the rupture. An

- 
1. Inprecor, 1 September 1927.
  2. Ekonomicheskaya Zhizn, 11 November 1927. Also an article by Dimitri Ilinsky in Mirovoe Khoziaistvo i Mirovaya Politika, September 1927.
  3. Coates, op. cit. pp.295-296.

informal meeting between both sides held in Berlin in mid-June only produced deadlock, and Stalin, under criticism from Trotsky, played down his earlier enthusiasm for this Committee, in a speech on 1 August, describing it as 'only temporary, subsidiary, episodic and therefore unstable' (1). His tactics now were to goad the British side into breaking up the Committee, as it was no longer of any use to the Soviet side. At the Trades Union Congress in September 1927 the General Council resolution to wind up the Committee was passed overwhelmingly. Steel-Maitland reported to the Cabinet that this decision 'simply means British official trade-unionism is coming into line with the vast majority of its members, who are in no way revolutionists' (2). The rupture of diplomatic relations was paralleled by a rupture between the two labour movements. After May 1927 it had become apparent that the Committee could not act to advance Soviet interests. It had become an embarrassment to Stalin, who could only ward off criticisms by counter-attacking, admonishing the United Opposition for 'wobbling and absence of line' and the British trade union leaders for being 'outright agents of British imperialism' (3).

- 
1. Degras, Soviet Documents, op. cit. Vol II, pp.240-242.
  2. Memorandum by Steel-Maitland, 18 October 1927, C.P. 246(27), CAB 24/188.
  3. Gorodetsky, op.cit. pp. 246-253; Calhoun, op. cit. pp. 348-387.

While the Labour movement moved further away from the Russians, at the governmental level relations remained static. The Foreign Office rejected all attempts by intermediaries, in the shape of interested businessmen and journalists, to bring about conversations or negotiations, and the Soviet Government rejected suggestions for mediation from the Germans (1). Nevertheless, Chamberlain did draft a section on policy towards the Soviet Union for Baldwin to use in his speech at the Guildhall on 9 November 1927. Baldwin gave an undertaking that, whenever the Russians were prepared 'to observe the ordinary decencies of international intercourse, to abstain from interference in our domestic affairs and from intrigue and hostility elsewhere', they would find the British 'ready to meet them in that spirit of liberality and goodwill which inspired our whole foreign policy' (2).

On 20 November 1927, speaking at the Ukrainian Party Congress, Rykov gave the Soviet reply. He dismissed Baldwin's speech as part of a pre-election campaign, maintained that Soviet diplomats had always

---

1. Note by Sir Henry Fountain, Permanent Under-Secretary of State at the Board of Trade, 14 October 1927, N4825/4708/38, FO 371/12607; Dyck, op. cit. pp.101-102.

2. Times, 10 November 1927; A. Chamberlain to I. Chamberlain 6 November 1927, A. Chamberlain Papers, AC 5/1/436.

acted correctly, and laid the responsibility for the rupture with the British, but stated that relations could be renewed on the basis of 'reciprocal conditions of non-interference'. The British side did not consider this reply to be sufficient to meet their desiderata; indeed, Chamberlain told Litvinov a fortnight later that it was 'not so much a response as a retort' (1).

However, an opportunity for the two sides to meet was provided by the meetings of the Preparatory Commission for the Disarmament Conference, which opened in Geneva in late November 1927. Although Stalin had made it clear in early November 1927 that the Soviet Union did not intend 'to be a constituent part of that screen for imperialist intrigues', the League of Nations, the tentative rapprochement with the League, seen first by a delegation's participation in the World Economic Conference in the spring of 1927, was carried one step further by the participation for the first time of a Soviet delegation in the disarmament discussions (2). Unofficial reports reached the British that Litvinov, who was head of the Soviet delegation, might try to approach Chamberlain during the sessions. Chamberlain

- 
1. Izvestiya, 25 November 1927; H.C.Deb. Vol 211, Cols 264-265; D.B.F.P. IA/IV, Doc.No.82.
  2. Stalin, Works, Vol 10, pp. 212-213.

informed the Cabinet that if Litvinov did make an approach he would not refuse an interview, but he would be 'most careful not to commit His Majesty's Government to any change of policy' (1).

Through the good offices of a Daily Herald journalist, George Slocombe, Litvinov did meet and talk with Chamberlain at his hotel on 5 December 1927. During the one hour conversation there was 'a frank exchange of views' but no agreement could be reached (2). Propaganda was the focal point of the discussion. Litvinov said that he did not wish to dwell on past events, but he did want to know 'what steps could be taken to place our relations upon a better footing'. Chamberlain replied that he could not talk about the future without clearing up the past problems, and he reasserted the British view of the Soviet Government's responsibility for the actions of the Comintern and the Profintern; Litvinov dissented from this view. Chamberlain then referred to Rosengolts' telegrams, as published in the White Paper, and Litvinov, although he would not recognise the authenticity of the telegrams, did make the observation that 'in international history there have been many examples of the tactless actions

- 
1. D.B.F.P. IA/IV, Doc.Nos 74, 77; Cabinet Conclusions, 30 November 1927, 59(27)2, CAB 23/55.
  2. Coates, op. cit. p. 302; George Slocombe, The Tumult and the Shouting, (London 1936) pp. 284-292.

of diplomatic agents'. The arguments continued on predictable lines, but, according to Litvinov's account, after the communique had been drawn up, Chamberlain relaxed and talked 'in a more friendly tone about how reluctantly he had agreed to the break and how it was difficult for him to take the risk of resuming relations, which inevitably would have to be broken off if we (the Russians) did not change our tactics' (1).

Convinced that the Soviet Government would make no concessions, least of all admit responsibility for the Comintern, Chamberlain told the Commons on his return that he could see no reason for resuming the conversations until the circumstances had changed (2). Litvinov concluded that Baldwin's speech had been made 'solely for internal consumption' and that it did not signify in any way a change in the Cabinet's Russian policy (3). A state of deadlock had been reached.

While Litvinov was in Geneva, the Fifteenth Party Congress, postponed several times while Stalin worked to outmanoeuvre his opponents, was finally convened. With the Congress's condemnation and

---

1. D.B.F.P. IA/IV, Doc.No. 82; D.V.P. Vol X, Doc.No. 283.

2. Daily Herald, 10 December 1927; H.C.Deb. Vol 212, Col 385.

3. D.V.P. Vol X, Doc.No. 283; Pope, op. cit. p. 239.

expulsion from the Party of Trotsky and Zinoviev, and Trotsky's almost immediate deportation from Moscow, the third crisis in Party unity had been successfully weathered by Stalin (1); next, he was to work towards destroying the Bukharinist group within the Politburo, by in fact adopting many of the Left Opposition's policies.

Stalin's report on 3 December set the keynote for the lengthy discussions on the Soviet Union's economic problems. He outlined the Party's tasks as being to promote industrialisation, so as to create 'favourable conditions necessary for overtaking and outstripping the advanced capitalist countries', to collectivise agriculture, and to eliminate capitalist elements from the economy (2). Directives concerning the introduction of a five yearplan were couched in vague terms, for as Rykov explained, the plan was not nearly ready. However, Voroshilov argued for the military necessity of a plan by linking the 'inevitability of an armed attack' on the Soviet Union with the planning of industrial construction (3). The changes in policy which were implemented during 1928, as the drafts for the Plan were continually revised upwards, were

- 
1. Carr, Foundations of a Planned Economy, op. cit. Vol' 2, pp. 26-53.
  2. Stalin, Works, Vol 10, pp. 298-321.
  3. Eudin and Fisher, op. cit. pp. 402-403.



151

explained as a means of defending and strengthening the Soviet Union against the expected capitalist onslaught, although, in fact, in the short term it was to render the country more vulnerable than before, The foreign policy defeats during 1927, on both the diplomatic and the revolutionary fronts, increased Soviet international isolation. This served to reinforce those tendencies to withdraw back into herself which the Soviet Union had already been exhibiting.

At a time of relative Soviet economic and military weakness, when 'the threat of war remains in force, despite Britain's temporary setbacks' and when 'the period of "peaceful co-existence" is receding into the past', Stalin enunciated the tasks for Soviet foreign policy on both the diplomatic and revolutionary fronts. On the diplomatic front, he noted two tendencies amongst the Western countries, one towards 'warlike aggression' (Britain, aided by France, Poland and China) and the other towards developing 'peaceful relations' (Germany and Near and Middle Eastern countries). Soviet policy, therefore, should be to exploit these contradictions in the capitalist camp, 'to postpone war by "buying off" the capitalists and to take all measures to maintain peaceful relations'. On the revolutionary front, he argued that there was 'every sign of deepening

crisis and increasing instability' in the capitalist world, which was 'obviously entering a period of new revolutionary upsurge' (1). In such a situation, as Bukharin foreshadowed in his speech on 10 December, a new militant Comintern line was considered to be appropriate (2), although this new line was not to be fully implemented until the Sixth World Congress of the Comintern in August 1928. Nevertheless, the failure of the Stalin-Bukharin line of alliance with social-democrats and national bourgeoisie during 1927 was to be cleverly utilised by Stalin as a weapon to discredit Bukharin during the coming months (3).

The failure in China, both of the alliance with the Kuomintang and the ill-fated communist-led uprisings in the autumn and winter of 1927 (4), did not cause Stalin at the end of 1927 to turn to another Asian country such as India. Even Bukharin, in referring to India as 'one of the biggest problems confronting the Comintern' in the future, was careful to warn against transferring unchanged to India the tactics

- 
1. Stalin, Works, Vol 10, pp. 277-298.
  2. Inprecor, 29 December 1927.
  3. Robert Donaldson, Soviet Policy towards India, (Harvard 1974) pp. 26-27, 31-32; Stephen Cohen, Bukharin and the Bolshevik Revolution, (London 1974) pp. 261-267.
  4. Jacques Guillermez, A History of the Chinese Communist Party, 1921-1949, (London 1972) pp. 133-165.

used in China (1).

Despite all the euphoric celebrations of the tenth anniversary of the Revolution, the foreign policy set-backs, on both the diplomatic and the revolutionary fronts, left the Soviet Union at the end of 1927 in a position on the international scene which, in the words of a member of the Collegium of the Narkomindel, was 'far worse' than in 1924, which in retrospect was seen as a high-point of the Soviet Union's diplomatic standing (2). Chicherin warned his colleagues in mid-1927 that 'we must manoeuvre, with the utmost caution and circumspection, between the hidden rocks surrounding us on all sides' (3). To the Moscow leadership, the diplomatic arm must have seemed more effective than the revolutionary arm in the second half of 1927 in reducing the extensiveness of the policy defeats and preventing the events of mid-1927 from becoming the starting-point for a united capitalist intervention. The worsening of the Soviet Union's relations with France and Poland, and Japan (all three countries failed to respond to non-aggression pact proposals), and a slight chilling in

- 
1. Xenia Eudin and R.C. North, Soviet Russia and the East, 1920-1927, (Stanford 1957) p. 391.
  2. Lionel Kochan, Russia and the Weimar Republic, (Cambridge 1954) pp. 124-125.
  3. A. Alexandrov and L. Sergeyeva, '90th Anniversary of Valerian Dovgalevsky's Birth', in International Affairs, January 1976, p. 128.

the Soviet-German relationship were only slightly recompensed by better relations with Turkey and Persia (Soviet-Persian Non-aggression and Trade Treaties were signed in October 1927). The revolutionary arm had fared even worse, as the collapse of the hopes in Britain and China was barely compensated by signs of a growing militancy among the Indian nationalists (1).

As fears of an armed intervention led or sponsored by Britain (fears which were amplified and manipulated in the later stages for internal purposes) died away in the later months of 1927, Soviet anxiety over an economic or financial blockade grew correspondingly, with Britain still seen as the villain of the piece. By the end of 1927 the Soviet leadership seem to have concluded that no restoration of relations under the Conservative Cabinet was likely in the short-run, so that future policy should be to try to neutralise British political animosity whilst trying to maintain some economic benefits from trade with Britain. Despite the public utterances of Chamberlain and Baldwin that Britain had no intention of carrying the dispute any further, Soviet suspicions of British policy remained undissipated.

---

1. Dyck, op. cit. pp. 99-101, 107-109; Harish Kapur, Soviet Russia and Asia, 1917-1927, (Geneva 1966) pp. 140-141, 206-211; D.V.P. Vol X, note 17.

The difficulties on both the domestic and foreign fronts during the second half of 1927, the doubts about the viability of the existing policies, and the growing divergences between the proposed solutions accentuated the differences between Stalin and Bukharin into a split in the very beginning of 1928. Adroit use of the party machinery was to tip the balance of power in Stalin's favour. While he considered and redrafted plans for a new drive for internal reconstruction and a drastic development of the Soviet economy, he also worked to destroy the Bukharinist opposition.

As for the British side, comparison can be made between the situation created in the second half of 1927 and the predictions outlined in Chamberlain's memorandum of January 1927. As Chamberlain had anticipated, no European power followed the break with similar action, tension and disturbance had occurred, especially in Eastern Europe, and, although the Soviet Union's international position had been seriously weakened, that had been caused by a combination of set-backs not solely the British break, important though that had been. Germany had been placed in a difficult position in trying to avoid being forced to commit herself to either adversary's side, but the break had, if anything, made the Germans appreciate that the Soviet

link was a less certain weapon in the anti-Versailles struggle.

Although the Labour movement did unite in criticism of the rupture, particularly of its depressing effects on trade, leadership did not swing to the extremists. Rather, the dissolution of the Anglo-Russian Trade Union Committee showed the progressive disinclination of the Labour movement to follow Russian advice. Soviet propaganda and espionage activities did suffer temporary disruption and diminution in Britain, but were not destroyed, while communist activities continued unabated in India and the Empire.

However, within the Conservative Party, the decision had been popular with the back-benchers. It reduced unrest against the Conservative leadership and quelled the 'Clear Out the Reds' campaign which disbanded in July 1927. Parliamentary and extra-parliamentary pressure on the Cabinet on the Russian question declined markedly, and, although certain Ministers continued to take an active if rather ambiguous interest in the issue (Joynson-Hicks and the oil companies, Churchill and the Baring balances (1),

- 
1. At Churchill's suggestion, it was decided to offer aid to Baring Brothers, who held £5 million of Tsarist funds, if the Soviet Government were to enter a claim. Cabinet Conclusions, 15 and 29 June 1927, 36(27)3 and 37(27)2, CAB 23/55.

157

Birkenhead in the intermittent discussions of the Sub-committee on the defence of India), it ceased to occupy the prominent position among foreign policy problems that it had occupied during the first half of 1927. The Cabinet were content to allow trade to continue, without appreciating to the full extent how political relations affected economic relations in Soviet thinking. Hoare, in writing to Irwin in India, at the end of June 1927, noted that once having broken off relations it would be a matter of considerable difficulty 'to resume them without another great controversy' (1). To the Cabinet majority, only when 'Soviet Russia had given, by deeds and not merely by words, over an extended period of time, of a change in its conception of international relations', would it be possible to consider renewing relations (2). Thus, the policy statements by Rykov and Litvinov in November and December 1927 were not considered sufficient to form even the basis of negotiations.

Hampered by a reduction in the amount of information available on Soviet conditions and policies, the Foreign Office found difficulty in evaluating the course of Soviet future policies. Nevertheless, a

- 
1. Hoare to Irwin, 22 June 1927, Halifax Papers, C152/17.
  2. Cabinet Conclusions, 30 November 1927, 59(27)2, CAB 23/55.

despatch in mid-December 1927 from the British Legation in Poland outlining Polish perceptions of the Soviet system prompted some discussion in the Foreign Office. The Poles, reportedly, had 'long ceased to be alarmed by Russian Bolshevism as a real social danger, and they are equally unimpressed by the skeleton of a united Russia as represented by the Soviet Government'. Palairot, head of the Northern Department, minuted that 'the danger to us is not Russian nationalism, but Russian internationalism'. He added: 'The Poles are no doubt right in not being afraid of Russia just now, but nobody can say how long this will remain true. The failure of her Chinese adventure (if failure it remains) may drive Russia in on herself and make her a more formidable neighbour to the States on her west'. Gregory minuted: 'The generally accepted theory is probably true, viz that a Russia of any kind devoid of foreign guidance or stuffing is not a military danger to anyone, but international communism directed from a soil on which its organisation can proceed not merely unhampered but actively supported and fostered is a real danger to susceptible communities' (1). The British definition of 'susceptible communities' did not cover Britain or Poland, but, as the events of 1928 were to show, it did cover India.

---

1. D.B.F.P. IA/IV, Doc.No. 93, and minutes in N6029/1316/55, FO 371/12579.



## CHAPTER FIVE: FROM GENEVA TO MEERUT

Whereas the Fifteenth Party Congress marked a watershed in Soviet internal politics between Stalin's struggle with the 'Left' opposition and that with the 'Right' opposition, the dividing line for the change in Soviet foreign policy is not so marked. There was a certain ambiguity about the Comintern policies in the first half of 1928, and only at the Sixth World Congress was the new militant line enunciated and accepted in its final form. On the diplomatic level, signs of a new approach were already in evidence in the autumn of 1927, with Soviet participation in the Geneva disarmament conversations.

Little progress had been made towards disarmament in the early 1920s under the aegis of the League of Nations, and the fresh initiatives after the signature of the Locarno treaties, which resulted in the early meetings of the Preparatory Commission, failed to solve the concrete problems of disarmament. The Soviet delegation's participation for the first time was heralded by the speech on 30 November by Litvinov, who had drafted disarmament proposals early in the 1920s and had been appropriately chosen as head of the Soviet delegation. He outlined his

100

proposal for immediate and universal disarmament, but the reaction of the other powers, including Britain, was cool, and discussion of the proposal was effectively postponed (1). The only decision made was to set up a committee on arbitration and security, which meant a move towards studying disarmament through security. British policy was to resist attempts to link the reduction of armaments with further guarantees of security (beyond the Locarno obligations), but for the French guaranteed security had to come before disarmament. Litvinov's revolutionary proposal, however, supported the German thesis that disarmament should take priority over security.

The collaboration between the German and Soviet delegations was an important feature of the Commission's meetings. The Germans had favoured Soviet participation, and on his way to Geneva Litvinov had discussed with Stresemann in Berlin the line that the Soviet delegation would put forward (2). Litvinov afterwards told Stresemann that the collaboration of the two delegations was the most significant result of the Soviet appearance at Geneva (3). The Germans

- 
1. Orde, op. cit. pp. 206-208; Eudin and Fisher, op. cit. pp. 348-352.
  2. D.B.F.P. IA/IV, Doc. No. 65.
  3. Dyck, op. cit. p. 111. The collaboration at Geneva is well-documented in Pauline Helliar-Symons, 'Germany, the Soviet Union and World Disarmament, 1926-1933', (unpublished M.A. thesis, Wales 1970) pp. 41-56.

101

were interested only in a solution on their own terms, i.e. the virtual abolition of the Versailles restrictions, and, as it became increasingly obvious during the following sessions and years that such a solution would not be possible and that no reduction of armaments to which the French would agree could be satisfactory to themselves, they tried to obstruct any other agreement being made. Although working from different basic assumptions, the Russians were to act as useful allies. The British noted the signs of Soviet-German co-ordination, indeed on the eve of this session a Cabinet committee had reported that 'we have some reason to think that our representatives will be confronted with a combination of German and Russian delegates in opposition to France and her friends' (1), but it was left to the French to later warn the Germans of the baneful consequences of Soviet-German solidarity on the disarmament issue (2).

It should be noted that the British seemed largely unaware of a further, more secret facet of Soviet-German collaboration, namely the military collaboration between the two powers, which was continuing while the disarmament discussions were proceeding. Revelations of this collaboration which

---

1. D.B.F.P. IA/IV, Doc.No. 229.

2. Dyck, op. cit. p. 110.

had appeared in the Manchester Guardian in December 1926 caused no great stir in British official quarters, who assumed that such collaboration had been liquidated, which was far from the case. At the time of the revelations, Hodgson had commented that there was 'a certain sub-stratum of fact, but not much', while Hoare, referring to specifically aerial matters, wrote that 'the danger is to my way of thinking over-stated' (1). The revelations actually coincided with the phasing out of one aspect of the military collaboration, munitions manufacture; on the other hand, during 1927 the German Government agreed to the stepping up of the exchange of information and the training of tank and air warfare experts in Soviet Russia (2).

For the Russians, their disarmament proposals, and the co-operation with the Germans, were intended to enhance the contradictions between the capitalist countries and were therefore in tune with Leninist maxims. Another intention was that as 'propaganda for peace', the proposals would play on the contradictions within the capitalist countries, although

- 
1. Orde, op. cit. p. 186; D.B.F.P. IA/II, Doc.No. 415, IA/III, Doc. Nos. 20, 24; Hoare to Cecil, 23 December 1926, Cecil Papers, Add. 51083.
  2. On secret military collaboration see Erickson, op. cit. pp. 144-163, 247-282; Hans Gatzke, 'Russo-German Military Collaboration during the Weimar Republic' in American Historical Review, April 1958, pp. 565-597.

- 163 -

detailed analysis of the statements of the Soviet leaders, as undertaken by Franklyn Griffiths, suggests differences of emphasis on this point. Some leaders such as Bukharin and Anatoly Lunacharsky, the deputy head of the Soviet delegation at Geneva, still felt that the proposals should be utilised to attract support amongst Western countries from the 'petty-bourgeois <sup>P</sup>acifists' and liberals, but Stalin and the majority of the Politburo evidently looked to the proposals to expose the 'hypocrisy' of the capitalist powers, and, at the same time, to prevent or 'delay' any war-mongering by these same powers by mobilising the working-classes to put pressure on the capitalists from below; this conformed with the new militant line being introduced into the Comintern (1). Stalin's philosophy had been expressed succinctly in a speech in August 1927, when he said: 'Rather let all those liberal pacifist philosophers with their "sympathy" for the U.S.S.R. go to the devil. If only we have the sympathy of the vast masses of the working people, the rest will follow' (2).

At the next session of the Preparatory Commission, in March 1928, Litvinov produced a detailed

- 
1. Franklyn Griffiths, 'Inner Tensions in the Soviet Approach to "Disarmament"' in International Journal, Autumn 1967, pp. 593-600, 612-613.
  2. Stalin, Works, Vol 10, p.49.

draft convention for total disarmament, but following a lead given by the head of the British delegation, Lord Cushendun, who had been appointed Chancellor of the Duchy of Lancaster on Cecil's resignation in August 1927, it was rejected by the majority of the delegations as impractical and unacceptable. Prior to this session, the Soviet proposals had been subjected to consideration by British civilian and military experts. Cushendun himself wrote to Chamberlain that the proposals were 'of a quite fantastic nature - probably designed for no other than propagandist purposes' (1), but Palairret felt that 'to reject them without discussion - however unpractical they may be - would, it seems to me, put us in the wrong' (2). Briand and Chamberlain discussed the Soviet proposals in early March, and, although they were in agreement that the Soviet scheme should be referred for further examination, the British appreciated, on reflection, that it was 'not for us, in view of our special relations - or absence of relations - with Russia to bell the Russian cat' (3). However, in his speech of 20 March, Cushendun, although careful to avoid proposing an outright rejection of the Soviet

- 
1. D.B.F.P. IA/IV, Doc. No. 339.
  2. Ibid, Doc.No. 295.
  3. Ibid, Doc.Nos. 304, 309, 323.

- 105 -

proposals, did outspokenly criticise the motives of the Soviet leaders, accusing them of fomenting civil war abroad, of trying to wreck the League of Nations, and of putting forward policies which were merely obstacles to the work of disarmament (1).

Litvinov rejected these criticisms, but, in view of the opposition to his initial proposals, on 23 March he announced a new draft convention for partial and gradual reduction of armaments. Against Litvinov's opposition the Commission decided to reserve this new Soviet proposal for discussion at the next session, which ultimately was not to be held until April 1929 (2). Personal and policy differences between Cushendun and Litvinov prevented any real likelihood of their meeting even on the lines of the Chamberlain-Litvinov meeting in December 1927. An official Soviet report on the activities of these two sessions declared that the Soviet proposals 'attracted the sympathies of the broadest circles of the population in capitalist countries, and by this means helped to lessen to a certain extent the danger of war' (3). On

- 
1. Times, 21 March 1928; Zenia Eudin and Robert Slusser, Soviet Foreign Policy, 1928-1934, (Pennsylvania 1966) Vol 1, pp. 9-10.
  2. Ibid, pp. 8-11.
  3. Carr, Foundations of a Planned Economy, op. cit. Vol 3, p. 109.

the British side, both the Foreign Office and the Chiefs of Staff were in agreement in finding both the Soviet proposals 'totally unacceptable', although Chamberlain was still loathe to commit Britain to being 'in the forefront of the opposition' to the proposals (1).

The changes in the Comintern policies, of which a foretaste had been seen at the Fifteenth Party Congress, were elaborated at the Ninth Plenum of E.C.C.I. in February 1928 and made obligatory at the Sixth World Congress in August 1928. At the Ninth Plenum, Bukharin's analysis of the increasing 'radicalisation' of the working-class in the capitalist countries was extended into the special instructions issued to the British Communist Party. The British Party was instructed to make itself completely independent politically of the reformists by adopting clearer tactics in the struggle against the Labour Party and the trade-union leaders (2). The new tactics meant that the Communist Party's main task was to expose the 'social fascist' character of the Labour Party and reverse traditional policy by now running

- 
1. D.B.F.P. IA/V, Doc.No. 396; Chiefs of Staff Subcommittee Report, 4 June 1928, C.O.S. 161, CAB 53/16.
  2. Eudin and Slusser, op. cit. Vol I, pp. 22-23, 81-82.



communist candidates against Labour Party candidates, while the Minority Movement was to be transformed from a pressure group within the unions into a revolutionary union movement in its own right. These changes were by no means welcomed by the British Party leadership, bedevilled by declining membership and strong opposition to their political activities from the Labour Party organisation headed by Herbert Morrison. The Party was in a state of confusion during 1928 as a result, and the British Party Congress in January 1929 finally adopted the new policy only by a small majority (1).

Bukharin also presented the main report to the Sixth World Congress, but he was forced to accept amendments put forward by the Russian delegation, led by Stalin, and it was clear that his prestige was on the wane (2). The theses introduced the concept of the 'third period' in the development of post-war capitalism, in which the partial and temporary stabilisation that capitalism had achieved in the mid-1920s disintegrated, with the inevitable approach and occurrence of a new round of wars and revolutions.

- 
1. Martin, op. cit. 102-115; Carr, Foundations of a Planned Economy, op. cit. Vol 3, pp. 377-384. By 1928 Morrison felt that Labour was clear of communists, whom he described as a 'wash out'. Bernard Donoghue and G. W. Jones, Herbert Morrison, (London 1973) pp. 98-103.
  2. Cohen, op. cit. pp. 291-295.

With the increased danger of the capitalist countries preparing for an offensive against the Soviet Union, it was important for the proletariat of each country to fight for the defeat of its 'own' government and for the victory of the Soviet Union. The sharpening of the conflict between Britain and America and the general hostility to the Soviet Union were adduced as signs of the imminence of the war danger. The main enemies of the communists were now described as the right-wing reformists within the communist parties and the left social-democrats who had tried to exploit the earlier collaboration with the communists (1).

The adoption of the new line under Stalin's prompting was evidence of the stricter discipline and control exercised by the Stalin-dominated Russian Party. As in the domestic context where Stalin worked to destroy the Bukharinist group and bring the Russian Party finally under his complete control, so in the international revolutionary movement Stalin preferred to have totally obedient foreign parties rather than larger but unreliable ones or links with unreliable nationalists and social-democrats, as had been the case in China and Britain. The policies and needs of

---

1. Eudin and Slusser, op. cit. Vol I, pp. 24-31, 102-147; Degras, Comintern, op.cit. Vol II, pp. 446-450.

the foreign parties were to be identified with and subordinated to the interests of the Soviet Union. In a speech on 1 August 1927 Stalin had laid down already the criteria on which he was to insist in later years, when he defined an 'internationalist' as 'one who without reservations, unconditionally, openly, honestly, is ready to defend and protect the U.S.S.R., because the U.S.S.R. is the base of the revolutionary movement' (1).

India, which was to be the focal-point of interest when the World Congress came to discuss the colonial and semi-colonial countries, was not exempted from the new tactical approach, although, as in the case of the British Communist Party the new line was not accepted without controversy. A split between Roy, together with the majority of the British Party delegation, and the Comintern leadership over the interpretation of the British industrialisation of India (the so-called 'decolonisation' debate) hampered the clarification of practical policies, but the theses finally adopted reflected the Comintern's new line in coming out in critical opposition to not only the Indian National Congress but also the expanding

---

1. Stalin, Works, Vol 10, pp. 53-54.

Workers' and Peasants' Party (1). Zafar Imam has suggested that it was 'no accident' that with the Soviet hopes of a resumption of diplomatic relations fading after the Chamberlain-Litvinov meeting, Soviet policy towards India 'also entered a decisive phase' (2). However, the doctrinal reassessment of the Comintern's policy towards India was not determined primarily by the necessities of the Soviet Union's policy towards Britain, because the new line was intended to be applied dogmatically throughout the world; India was only one, if no doubt the most important, of the colonial countries where the new line was to be implemented.

Away from the theorising of Moscow, the situation in India was changing significantly, as the level of communal violence increased. Birkenhead and the Viceroy, Irwin, had decided in 1927 to appoint Sir John Simon to head the statutory commission set up to examine the working of the 1919 Government of India Act. The second half of 1927 had seen growing nationalist unrest, left-wing groups in the Indian National Congress expressing sympathy for the Soviet Union in the Anglo-Soviet crisis, and in December 1927 the Indian National Congress deciding to press

---

1. Donaldson, op. cit. pp. 30-31; Carr, Foundations of a Planned Economy, op. cit. Vol 3, pp. 923-936; Imam, op. cit. pp. 257-265.

2. Ibid, pp. 247, 252.

for full Indian independence rather than merely Dominion status. Almost all sections of nationalist opinion decided to boycott the Simon Commission (1). Not only did the nationalists grow in strength but so did the Workers' and Peasants' Party, in which the communists had gained a significant degree of influence; yet it was these connections that the Indian communists (and the British communists assisting them) were now instructed to sever in accordance with the decisions in Moscow.

During 1928 the increasing severity of the strikes and dislocations in important Indian industries, particularly the railways and the cotton mills, and the widespread opposition to the Simon Commission's investigations led the Government of India to be overly-suspicious of links between the inter-communal antagonism, the nationalist upsurge and the communists' agitation. The events of that year were seen as showing 'the folly of minimising the importance and danger of Communist activities in India' (2). To counter-act the breakdown in public order, the Government of India tried to introduce a

- 
1. Ibid, pp. 248, 250-252. Jawaharlal Nehru was impressed by his first visit to Moscow in late 1927.
  2. Government of India Report, 1927-28, p.341.

Public Safety Bill in the autumn of 1928, but, when nationalist opposition was too strong, Irwin instead promulgated a Public Safety Ordinance in April 1929 (1).

At the same time, the activities of the British Communist Party emissaries (Spratt was joined by Ben Bradley in September 1927 and by Lester Hutchinson in September 1928) in trying to enlarge the incipient Indian Communist Party were closely observed by the Indian intelligence authorities, and, after learning that it was intended to activate the Indian party on the Comintern's new lines, the authorities moved quickly to arrest thirty-two communist leaders (including the three Englishmen) in the second half of March 1929, sending them for trial at Meerut in April 1929, on charges of conspiring to subvert the Government of India in the furtherance of communist aims (2). Irwin wrote to Neville Chamberlain in April 1929, saying that he was 'very hopeful that this will enable us to scotch for some time to come a good many of the movements that have been responsible for continued industrial disturbances and the sowing of many undesirable seeds up and down the country' (3).

- 
1. Judith Brown, Gandhi and Civil Disobedience, (Cambridge 1977) pp. 60-61.
  2. Mahadevaprasad Saha, (editor), India and Communism, (Calcutta 1976 - reprint of 1935 Intelligence Bureau report) pp. 116-135; Gene Overstreet and Marshall Windmiller, Communism in India, (Berkeley 1959) pp. 135-139.
  3. Irwin to N. Chamberlain, 15 April 1929, Halifax Papers, C152/18.

In contrast with the hard-line policy adopted towards the communists, an approach which in June 1929 was judged to be working well, Irwin was thinking at the same time of some conciliatory gesture towards the nationalist movement (1). The Government of India was slowly becoming aware of the differences in policies and objectives between the communists and the nationalists, and correspondingly beginning to adopt different policies. The communist movement was thrown into confusion, with the leadership in prison, the Workers' and Peasants' Party suffering eclipse, and the new Comintern line precluding any collaboration with the rising force in India, the National Congress.

The India Office endorsed the Government of India's arrests and prosecution, feeling that it would expose the Comintern's links with Indian communists as well as making 'unmistakably clear the determination of the Government not to tolerate the revolutionary designs of mischevious organisations either inside or outside India' (2). The evidence available of Soviet activities in India hardened British governmental opinion towards the Soviet Union

---

1. Brown, op. cit. p. 61.

2. William Peel, Secretary of State for India after October 1928, to Irwin, 23 May 1929, Halifax Papers, C 152/5.

during 1928-1929, and a Comintern appeal to the revolutionary movement in India, issued only a week after the Meerut arrests, served only to confirm these predelictions. Austen Chamberlain in fact referred to this appeal as evidence of the Soviet failure to abstain from propaganda (1).

Parallel with the growing concern in 1928-1929 over the internal Indian situation, the British and Indian authorities watched with equal anxiety the course of events in Afghanistan. In January 1928 the Committee of Imperial Defence considered and approved the first report from Birkenhead's Defence of India Sub-committee. The basic conclusion was that 'the material consequences of any substantial Russian encroachment into Afghanistan would be no less dangerous to India, and no less disastrous to our general interests at the present time than they were in the past', but the question of the policy to be adopted in the event of such an encroachment turned on the military forces

- 
1. Degras, Comintern, op. cit. Vol II, pp. 22-23; H.C. Deb. Vol 229, Cols 408-410. When the Norwegian Minister in Moscow, Urbye, remarked on the language of this appeal, Litvinov replied: 'You are right. The Comintern is of no advantage to us'. Lindley to Arthur Henderson, the new Foreign Secretary, 10 June 1929, N2840/55/38, FO 371/14039.



available. It was proposed that British and Indian authorities should draw up a plan for operations in the event of such a war, but that also, since a 'friendly Afghanistan' would be a primary condition for military operations, 'it is important that any opportunities of further improving our relations with Afghanistan should be taken if possible' (1). The impetus for the reappraisal of the Indian defence question had come from the fears arising from the Soviet-Afghan tension in early 1926, but, paradoxically, in the second half of 1927, when Anglo-Soviet relations were virtually non-existent and rumours of war were current, the Sub-committee began to reach the conclusion that the threat of military action from the Soviet side was 'not imminent'. Although the War Office produced a memorandum on Soviet military development and argued that the main objective of the Russians, namely 'to strike at the British Empire through India', was 'becoming even more clearly defined', the Foreign Office officials disagreed. Palairret endorsed the opinion of Orde that 'a military attack on India cannot, so far as I can see, possibly be more than a vision latent in the Russian mind' (2).

- 
1. First Report of Defence of India Sub-Committee, 19 December 1927, C.I. 158-D, CAB 6/5; C.I.D. Minutes, 26 January 1928, CAB 2/5.
  2. Memorandum by Worthington-Evans, 7 January 1928, C.I.D. 853-B, CAB 4/17, and Foreign Office minutes in N5630/5630/38, FO 371/12608.

The evidence given by Hodgson to the Sub-committee, specifically his view that the Soviet Government 'has at the present time neither the will nor the capacity to take aggressive action', seems to have carried greater weight with the Sub-committee than the War Office's views, and the report produced at the end of the deliberations took as one assumption the 'time margin' available to 'complete our pre-cautionary measures and perfect our plans' (1).

The Foreign Office view of the situation was expressed cogently in a review in April 1928:

'The dangers to be feared are those of Soviet intrigues in Afghanistan, the fomentation of hostile activity among the frontier tribes of India, and subversive propaganda in India itself, rather than the debouching of Russian forces on to Indian territory' (2).

Two months later, when the Chief of the Imperial General Staff brought before the Committee of Imperial Defence secret evidence suggesting that the Russians were working to promote a war between Afghanistan and Britain, Chamberlain said that he was 'not very much disturbed by the possibilities envisaged', no doubt basing his confidence on the reassurances given by the

- 
1. First Report of Defence of India Sub-Committee, 19 December 1927, C.I.D. 158-D, CAB 6/5.
  2. D.B.F.P. IA/IV, App.

Amir Amanullah, during his visit to London in the spring, that Afghanistan would never allow herself to co-operate with the Soviet Union in attacking India (1).

However, the civil war which erupted in Afghanistan in the autumn of 1928 after Amanullah returned from his extensive European tour (which included Moscow as well as London) jolted this confidence. The state of political anarchy caused by Amanullah's abdication in January 1929 was not finally removed until Nadir Shah came to power in October 1929. During this period, therefore, the British became fearful that the political vacuum created had left Afghanistan 'very vulnerable to Soviet aggression and intrigue', so much so that Afghanistan was 'a greater potential danger to the security of India than at any time since 1919' (2). Nevertheless, both Britain and the Soviet Union seemed unwilling to intervene and become deeply involved in the civil war. The Cabinet considered making some informal hint to the Russians about British neutrality in the civil war on the assumption that all other powers acted similarly, but decided against any active steps (3).

- 
1. Imam, op. cit. p. 270; Memorandum by Worthington-Evans, 16 June 1928, C.I.D. 888-B, CAB 4/17; C.I.D. Minutes, 5 July 1928, CAB 2/5.
  2. D.B.F.P. IA/VI, App. I.
  3. Cabinet Conclusions, 23 January 1929, 2(29)2, CAB 23/60. The French tried to reassure the Russians that Britain had no connection with Afghan events. D.V.P. Vol XII, Doc.No. 27. Litvinov reportedly said in March 1929: 'I think an agreement with England about Afghanistan and the East generally is possible, but my government takes a different view'. Fischer, op. cit. p. xii.

Reviewing the situation again in April 1929, the Foreign Office concluded that 'fortunately, the military and economic condition of the U.S.S.R. is likely to deter the Soviet Government from military adventures' into Afghanistan, but, although this assessment was endorsed in June 1929 by the Chiefs of Staff, they added the caveat that 'the threat to India arising from the possibility of Russian incursion into Afghanistan remains our chief military defence problem' (1). Indeed, only one month earlier, the Committee of Imperial Defence had approved a 'Plan of Operations in the Event of War with Russia in Afghanistan', which formed the second report of the Defence of India Sub-committee. Based on the premise of a friendly Afghan government and the assumption that any encroachment on the northern Afghan frontiers would occasion a casus belli, however, it really constituted only a general appreciation of the possibilities, with the details to be filled in later through further study by the British and Indian military authorities. (2).

- 
1. D.B.F.P. IA/VI, App. I; 'Review of Imperial Defence 1929', 21 June 1929, C.I.D. 948-B, CAB 4/18.
  2. Bisheshwar Prasad, Defence of India: Policy and Plans, (London 1963) pp. 23-29; India Office Memorandum, 1 June 1930, CAB 21/368.

175

Nevertheless, financial restraints meant that any reorganisation of Indian defences had to be made within the existing defence budget <sup>g</sup>uidelines. Another sub-committee of the Committee of Imperial Defence had examined the role of the Persian Gulf in Indian defences and had recommended the further development of British air-power in that area (1), but the implementation of this recommendation too was restricted by financial considerations. The Treasury had displayed a vested interest in trying to cope with the discrepancy between the cost of British commitments and the limited financial resources during the 1920s; drastic reductions in defence expenditure from £604 million in 1920 to £111 million in 1923, at which level it stayed until the early 1930s, had been undertaken. Now it was at the urging of Churchill that the Cabinet in July 1928 adopted the final formulation of the 'Ten Year Rule', which was 'a standing assumption that at any given date there will be no major war for ten years from that date'. Balfour and the Service Chiefs opposed the Rule, but

---

1. D.B.F.P. IA/VI, App. I. Chicherin told his diplomats that a system of airways in the Near East would be 'one of the most important components of England's aggressive plans in Asia'. D.V.P. Vol XI, Doc.No. 167.

Baldwin, Churchill and Austen Chamberlain felt that, given the safeguard of yearly scrutiny, this Rule would prevent excessive expenditure while ensuring security. For Chamberlain, the one area of 'uncertainty' was Soviet Russia, but he believed that the Soviet army was 'incapable of offensive operations on a large scale' so that there was no imminent danger from that quarter (1). Undoubtedly one of the reasons for the British military authorities being opposed to the institutionalisation of the Ten Year Rule was the concern for India's defences and the calls that could be made on Imperial resources in the event of war with the Soviet Union in the Indian sub-continent, but the Foreign Office view, more realistic in the sense that there was no immediate Soviet military threat, gained support from Churchill, who now put financial considerations above his fears of Soviet penetration (he consistently argued for an alliance system to balance the Soviet threat), and carried the day.

Complementing the careful scrutiny of the Soviet policies towards the Indian sub-continent was the close surveillance maintained on Soviet activities

---

1. Correlli Barnett, The Collapse of British Power, (London 1972) pp. 277-278; Martin Gilbert, Winston S. Churchill, Vol V (London 1976) pp. 289-292; C.I.D. Minutes, 5 July 1928, CAB 2/5.

within the British Isles. In December 1927 a trial on espionage charges, connected with the previous activities of the Soviet Mission, was held in camera (1), and in January 1928, Wilfred Macartney was tried and convicted of spying for the Soviet Union, with Hogg, the Attorney-General, personally handling the prosecution (2). Joynson-Hicks continued to receive reports on Soviet activities, as far as they could be detected after the Russians changed their codes and cyphers and their organs of communication after May 1927. On 21 February 1928, he reported to the Cabinet on the Russian payment of subsidies to the British Communist Party through the Moscow Narodny Bank in London. Further reports to the Cabinet the following day and the following week were confined to statements that he was continuing his investigations but that if the Bank were found guilty of illegal activities he would deport the directors (3).

- 
1. Cabinet Conclusions, 30 November 1927, 59(27)2, CAB 23/55.
  2. Times, 17, 18, 19 January 1928; Robert Jackson, The Chief, (London 1959) pp. 191-197; Sir Compton MacKenzie, My Life and Times, Octave Six, (London 1967) pp. 125-127.
  3. Cabinet Conclusions, 21 February, 10(28)1, 22 February, 11(28)1, and 29 February 1928, 12(28)2, all CAB 23/57. Joynson-Hicks resented being directed by the Cabinet to confer with Hogg on the legal aspects. Joynson-Hicks to Hogg, 22 February 1928, Baldwin Papers, Vol 115.

While these investigations were continuing, the Zinoviev Letter controversy was revived briefly by the results of a Government inquiry into allegations of currency speculation by Foreign Office officials. The Commons debate on 19 March was dominated by Baldwin's revelations about Donald im Thurn, and Labour demands for an inquiry were defeated (1). In a press interview a few days later, Chicherin described Baldwin's statement as 'pure invention from beginning to end'; apart from this retort, the issue subsided again (2).

In mid-April Joynson-Hicks revealed to the Commons the results of the investigations into the Russian Banks, referring to money found on 'Irish gunmen' recently arrested in London (3). A Home Office inquiry was set in motion to examine these transactions. The two Russian banks involved immediately protested their innocence, offering full facilities for their accounts to be checked (4). On 11 June, Joynson-Hicks told the Commons that the evidence 'indicated with absolute certainty that the Moscow

- 
1. Chester, Fay and Young, op. cit. pp. 154-172; Cabinet Conclusions, 13 March 1928, 14(28)2, CAB 23/57; H.C.Deb. Vol 215, Cols 47-110. For the currency speculation case see Ann Bridge, Permission to Resign, (London 1971).
  2. Degras, Soviet Documents, op. cit. Vol II, pp. 296-299.
  3. H.C.Deb. Vol 216, Cols 335-337.
  4. Times, 20 April 1928.



Narodny Bank was the channel through which during the past six or eight months large sums had passed to Communist organisations'. The police had ascertained that three employees of the Bank had paid over nearly £28,000 for communist purposes between July 1927 and April 1928. The directors of the Bank denied knowledge of these transactions and merely dismissed the staff implicated in the affair (1). The tone of the limited comments in the Cabinet minutes, namely directing Joynson-Hicks not to give any undertaking to take action against the Banks concerned, suggest doubts amongst the Cabinet members about the legal grounds for further action and the political repercussions of Joynson-Hicks' proposed deportations (2). The investigations prompted some sections of the British press to urge that all the Russians remaining in Britain should be expelled (3), but there was no concerted campaign for action such as that in the spring of 1927. Soviet press comments were scathing, while Chicherin, analysing the question in a letter to Valerian Dovgalevsky, the new Soviet Ambassador in Paris, saw it as another example of the dual tendencies among the British policy-makers. He

- 
1. H.C.Deb. Vol 218, Cols 634-642. A White Paper, Cmd. 3125, 'Russian Banks and Communist Funds', was issued.
  2. Cabinet Conclusions, 6 June 1928, 31(28)11, CAB 23/58. The Soviet Government were not directly implicated. H.C.Deb. Vol 218, Cols 1146-1147.
  3. Daily Mail, 31 May 1928.

felt that Joynson-Hicks' 'abrupt step' was intended to hinder the growing tendencies amongst Conservatives in the direction of greater friendliness towards the Soviet Union (1).

Knowledge of these Soviet activities inside Britain coupled with the knowledge of limited and suspicion of extensive communist activity in India continued to convince the Foreign Office and the Cabinet that the first precondition for a resumption of relations, the cessation of hostile propaganda, was not being met. The British side continued to adhere to the conditions set out in Baldwin's Guildhall speech of November 1927 (2). Efforts by 'third parties', such as Alan Marshall, the Chairman of Becos Traders Ltd., continued to receive a cool rebuff (3). The Soviet side reiterated their willingness to enter into negotiations, but insisted, as Dvlgalevsky told a visiting Liberal peer in March 1928, that the initiative had to come from the British side (4). This coldness between the two powers was reflected in their attitudes to issues on the international scene where both sides were involved.

- 
1. Izvestiya, 15 June 1928; D.V.P. Vol XI, Doc.No.193.
  2. H.C.Deb. Vol 220, Cols 950-951, Vol 222, Cols 853-854, Vol 223, Cols 2614-2615.
  3. D.B.F.P. IA/V, Doc.No. 19.
  4. D.V.P. Vol XI, Doc.No. 101 and note 70.

This was the case not only in the Geneva discussions over disarmament, but also in the negotiations prior to the signature on 27 August 1928 of the Kellogg-Briand Pact to renounce war as an instrument of national policy. The absence of diplomatic relations with the United States prevented the Soviet Union being invited to be an initial signatory, an omission which aroused Soviet suspicions that the multilateral pact was only a cover for an anti-Soviet bloc. There does seem to have been a split between Chicherin and Litvinov over the policy to adopt; the Politburo decision was in favour of adhering if invited (1). An invitation was forthcoming and by the end of September 1928 the Soviet Union had become the first country to complete by ratification the formal procedure for adherence. In explaining this step to the Central Executive Committee in December 1928, Litvinov argued that the Pact had 'a certain though limited significance' for the Soviet leadership as the signatory states 'undertake certain moral obligations regarding non-aggression' (2).

- 
1. Carr, Foundations of a Planned Economy, op. cit. Vol 3, p.111; Fischer, op. cit. pp. 569-570.
  2. Degras, Soviet Documents, op.cit. Vol II, p. 346. In May 1929, Rykov told the Fifth Congress of Soviets that the Pact would 'even if in the slightest degree only, make the psychological preparation for war more difficult'. Ibid, p. 373.

The British Government's reply to the American Government's proposal contained the qualification that their acceptance of the Pact proposal was made 'upon the distinct understanding that it does not prejudice their freedom of action' in 'certain regions of the world the welfare and integrity of which constitute a special and vital interest for our peace and safety'. These areas were never clearly defined publicly, but were meant to include Egypt, Afghanistan, the Persian Gulf and probably China. Although the British Government publicly pledged themselves to support the proposal 'to the utmost of their power', their private reservations were clear from Chamberlain's comment to the Japanese Ambassador, Baron Matsui, in April 1928, that the Pact seemed 'to be a rather platonic declaration accompanied by considerable mental reservations' (1). Britain also had some reservations about the Soviet Union being invited to adhere, but as it seemed that little support would be forthcoming from other states these objections were not pressed publicly. The Soviet note of adherence, however, was critical about the British areas of special interests and refused to accept these reservations (2).

- 
1. Note by Chamberlain, 3 April 1928, A. Chamberlain Papers, AC 50/437; D.B.F.P. IA/V, Doc.Nos. 349, 358.
  2. Ibid, Doc.Nos. 314, 404, 431, D.V.P. Vol XI, Doc. No. 272.

107

The danger of war had become a postulate of Soviet policy during 1928; the genuine kernel of suspicion was greatly exaggerated for internal purposes, being used as a justification for the internal reconstruction and the new Comintern line and being intended to inculcate vigour and vigilance in dealing with potential enemies both at home and abroad. Nevertheless, the continued suspicion of the smaller states on the Soviet Union's western borders and of Poland, which it was thought might be made to serve as a base for aggression against the Soviet Union, was in evidence in the Soviet proposal in December 1928 that the Soviet Union, Poland, and Lithuania sign an agreement to bring the Kellogg-Briand Pact into immediate force (1). The Polish Government suggested including the other limitrophes, so that the signatories of the so-called Litvinov Protocol on 9 February 1929 were the Soviet Union, Poland, Latvia, Estonia and Rumania (2). The Litvinov Protocol performed two functions for the Soviet Union: it was an expression of and consistent with the theme of a 'peace policy' being enunciated by the Soviet organs, and it was a diplomatic measure designed to forestall

---

1. Carr, Foundations of a Planned Economy, op.cit. Vol 3, pp. 113-114.

2. D.V.P. Vol XII, Doc.No.38. Lithuania, Turkey, Persia and Finland adhered later. The Kellogg-Briand Pact did not come into force until July 1929.

any possible anti-Soviet combinations amongst the Soviet Union's immediate neighbours. The British adopted a non-committal attitude to the negotiations leading up to the Protocol. Joseph Addison, the British Minister in Riga, suspected purely propaganda motives behind Litvinov's proposal, but the Minister in Warsaw, Sir William Erskine, believed that there was a 'further and more simple motive', namely that the 'Soviet Government are genuinely afraid of Poland'. However, Erskine and the Northern Department were in agreement that the Poles had outmanoeuvred the Russians in extending the Protocol to include other Baltic states, with a corresponding increase in Polish influence (1).

Despite the signature of the Protocol the Soviet Union's relations with Poland remained unsatisfactory during 1928 and into 1929. Relations with France were in a 'state of semi animation', while those with Germany suffered a depression, of which the Shakhty Incident in March 1928 was symptomatic. Soviet commentators were suspicious of British hands behind the deterioration in relations with the western powers, and in particular much criticism was voiced over

---

1. D.B.F.P. IA/VI, Doc.Nos. 19, 41, 67; Addison to Chamberlain, 11 January 1929, N332/13/55, FO 371/14018; Erskine to Chamberlain, 13 February 1929, N1087/13/55, FO 371/14019.

100

Birkenhead's controversial private visit to Germany in April 1928 (1). In the Far East, Soviet relations with all parties in China were minimal, and the Japanese remained cool to renewed Soviet offers of a non-aggression pact (2). Nevertheless, speaking in December 1928, Litvinov struck an optimistic pose and felt able to say that 'the example set by the Conservative Government did not infect other countries, and the balance of our external relations, excepting with Britain, remains the same as before the break'. He drew particular consolation from the fact that relations with the Near Eastern countries 'have never been so good as now' (3).

The unsatisfactory nature of relations with the western powers fed Soviet anxiety over a conspiracy against them, particularly tied to perceptions of 'new pressures in the economic sphere from a number of countries'. Stalin, in April 1928, referred to the creation of the 'soil of economic intervention', and Chicherin, writing to the Soviet Ambassador in Rome in the spring of 1928, wondered about the results of 'the tendency towards an intensification of economic

- 
1. D.V.P. Vol XI, Doc.Nos. 141, 145; Lindsay to Chamberlain, 25 April, C3215/3158/18, and 3 May 1928, C3477/3158/18, both FO 371/12913.
  2. Gaimusho-hen, Oakyoku Daiikka, Nisso Koshoshi, (Tokyo 1969) pp. 284-285.
  3. Degras, Soviet Documents, op. cit. Vol II, p.350.

pressures on us' from a Europe where the powers, regardless of different political beliefs, were moving towards a rapprochement in the economic sphere at least (1). The formation in London in October 1928 of an international committee for the defence of Russian bondholders was also interpreted as evidence of a 'united front of European finance capital' (2).

The difficulties in obtaining credits in the European financial centres increased Soviet suspicions of the West and also affected the trading plans being drawn up as part of the Five Year Plan. The 'minimal variant' had been based on modest foreign borrowing, but later versions tended towards a substantial planned increase in foreign borrowing. However, with no credit negotiations following up the German-Soviet Economic Protocol of December 1928 and the British Government still set against guaranteeing credits, the 'final variant' of the Five Year Plan, as adopted in April 1929, played down the reliance on foreign credits, unless good terms were available (3).

- 
1. Stalin, Works, Vol 11, pp. 61, 68; D.V.P. Vol XI, Doc.No. 85.
  2. Dyck, op.cit. pp. 147-148.
  3. Michael Dohan, 'The Economic Origins of Soviet Autarky, 1927/28-1934', in Slavic Review, December 1976, p.611.



Soviet foreign trade problems were complicated by the grain marketing crisis in early 1928, for grain exports played an important role in Soviet export policies. The Soviet economic year 1927-28 ended with a large overall trade deficit, since imports continued to increase as the planners attempted to meet industrialisation's demands for machinery and raw materials (1). Alarmed by the grain supply deficit in early 1928, Stalin supported forced procurement from the peasants, at the same time advocating increasing the tempo of industrialisation. The severity of the grain procurement measures provoked opposition from Bukharin; Stalin slowly steered towards intensive collectivisation and industrialisation, while marshalling his support for the struggle with Bukharin (2).

In September 1928 Bukharin published a veiled attack on the excessive growth rates, and Stalin moved on to the offensive, speaking publicly about the danger from the Right for the first time in October. In November 1928 Stalin outlined to the Central Committee the theoretical foundations of his new policy. He argued that the victory of socialism could be assured

---

1. Ibid, p. 609.

2. Moshe Lewin, Russian Peasants and Soviet Power, (London 1968) pp. 214-244; Cohen, op.cit. pp. 276-291.

by 'catching up with and overtaking' the capitalist countries in industrial and economic development, whilst security and independence could only be ensured by an industrial basis for national defence (1). In April 1929, when the final version of the Plan was adopted by the Sixteenth Party Conference, rapid industrialisation and the collectivisation of agriculture had become the order of the day. Stalin had outmanoeuvred the Bukharinist group. In February 1929 Trotsky was expelled from Russia, and two months later Bukharin was removed from his post as head of the Comintern (2). This period of 1928-29 marked the transition from the predominantly overt intra-party politics of the 1920s to the covert politics of the Stalinist party of the 1930s; the Stalin-Bukharin controversy was conducted largely in private.

The defeat of the Right opposition by mid-1929 (even though they continued to hold some posts into 1930) made Stalin the final arbiter in foreign policy as in other policy decisions. The basic tenet of his policy was that the security of the U.S.S.R., the 'base' of international communism, was the crucial

- 
1. Leonard Scapiro, The Communist Party of the Soviet Union, (London 1970 - revised ed.) pp. 368-377; Cohen, op. cit. pp. 295-301; Stalin, Works, Vol 11, pp. 231-248, 255-302.
  2. Carr, Foundations of a Planned Economy, op.cit. Vol 2, pp. 82-99; Alec Nove, An Economic History of the U.S.S.R., (London 1972 - Penguin ed.) pp. 142-159.

short-term objective of Soviet foreign policy and the world 'proletarian' movement. By concentrating his energies on internal reconstruction, Stalin adopted a line of 'militant isolation' for the Soviet Union. As has been noted above, the new Comintern line had an air of unreality about it, it was 'indeed engaged in a mock fight' (1). The diplomatic arm of Soviet foreign policy was to be used to develop those minimum contacts essential for the trade necessary for the internal needs of the regime. The lines of this policy were detailed by Litvinov to the Central Executive Committee in April 1928: 'The primary aim of Soviet policy and Soviet diplomacy is to secure peaceful conditions for internal creative work, without infringing on the national interests of any other state' (2). Rykov was making the same point when a year later, in May 1929, he told the Fifth Congress of Soviets that 'in international relations we are trying for such solidity and firmness in relations with individual states that no setback or loss will occur from that quarter in carrying out the colossal schemes of work laid down in the plan' (3). In sub-

---

1. Isaac Deutscher, Stalin. A Political Biography, (London 1966 - Penguin ed.) p. 400.

2. Degras, Soviet Documents, op. cit. Vol II, p.313.

3. Ibid, p.374.

ordinating Soviet foreign policy to internal policy, Stalin's 'withdrawal from external affairs' meant that at times foreign relations were abused for internal purposes. An early example of this was the Shakhty case in March 1928, and later examples in Anglo-Soviet relations will become apparent.

The Foreign Office were not well placed to assess the changes being wrought inside Soviet Russia. The sources of information available brought contradictory and often misleading information about the internal conflicts. Throughout 1928 reports were received about the deterioration of life and the imminent breakdown and collapse of Soviet power due to economic chaos (1). In November 1928 the Poles told the British that in their opinion the Soviet economic crisis was 'serious' and that the 'only way out will be a move to the right on the part of the Soviet Government' (2). Although the Department of Overseas Trade gave sufficient credence to these reports to suggest, in early 1929, that 'a serious economic crisis' would occur in the coming spring, the majority of the Foreign Office officials remained sceptical of the possibility of a collapse (3). The War Office argued

- 
1. D.B.F.P. IA/V, Doc.Nos. 125, 255; Lindley to Chamberlain, 3 December 1928, N5797/31/38, FO 371/13313.
  2. D.B.F.P. IA/V, Doc.No. 244.
  3. Ibid. IA/VI, Doc.No. 102.

in October 1928 that the Soviet answer to the 'very critical internal situation' might be 'a desperate gamble' such as precipitating a war with one of her neighbours such as Poland, but the Foreign Office felt that, if anything, the internal difficulties would prevent such aggressive action and that the Politburo had no desire to precipitate an external crisis (1). As for the power struggle, the Foreign Office review in February 1929 came to the following conclusion: 'The utmost apparently for which one can hope is a gradual swing to the right ... For the moment Stalin has triumphed; but it seems hardly credible that he will be able to maintain his position and carry out his policy in the teeth of the formidable opposition which has arisen' (2). The Foreign Office, while rightly convinced that the Soviet Government were 'here to stay' and unlikely to engage in external aggression, were nevertheless inaccurate in their analysis of the trend of the power struggle within the Soviet leadership.

Towards the end of 1928, Soviet observers noted some signs of a gradual change in opinions amongst British traders and some Conservative back-

---

1. Ibid. IA/V, Doc. No. 194, and Foreign Office minutes on this report in N5111/31/38, FO 371/13312; C.I.D. Minutes, 5 July 1928, CAB 2/5.

2. D.B.F.P. IA/VI, Doc.No.102.

benchers. During 1928, the trend established, though not reflected in the figures, in 1927 became more apparent as British exports and re-exports to the Soviet Union declined sharply, while the Soviet side took care to maintain the level of their exports to Britain at the same level; indeed, in 1928 the figures were marginally better than for 1927. With the balance of trade thereby swinging significantly in favour of the Soviet Union, the Soviet leaders hoped to pressurise the British into giving better credits, with the ultimate expectation that the demands of traders might bring about a change of mind in the Cabinet over political relations, while, at the lowest, even if these hopes were not realised, preserving the British markets as a prime source of foreign earnings (1).

Litvinov explained that because the Soviet Government 'found better opportunities in other countries, and also because the absence of a juridical basis and the political uncertainty and disquiet compelled us, as a matter of prudence, to avoid any long-term contracts with English firms on which our planned economic reconstruction depended', Britain was missing economic openings (2). Some response from

---

1. See Appendix I of this thesis and Cmd. 3282, 'Final Report of the Committee on Industry and Trade' (1929) p.33.

2. Degras, Soviet Documents, op.cit. Vol II, p.350.

British business-circles was apparent. In the summer of 1928 discussions began between Bessedovsky, now Counsellor to the Soviet Embassy in Paris, and Ernest Remnant, editor of the English Review, about a possible trip to the Soviet Union by British industrialists. One noticeable aspect of the Soviet Government's attitude towards visits from foreign delegations was a gradual change in this period at the end of the 1920s from encouraging labour delegations to encouraging groups of businessmen (1).

While these discussions were going on, Joynson-Hicks surprised Avramov, the Managing Director of Arcos, during an interview in October 1928, by assuring him that he wanted to be friendly with the Soviet Union and to develop Anglo-Soviet trade, and offering to relax some visa regulations. The Russians, rightly suspicious of this change of heart, ascribed it to the necessities of making political capital for the forthcoming election campaign (2). Cushendun, acting as Foreign Secretary while Chamberlain rested during the autumn of 1928, was plainly not impressed

- 
1. Bessedovsky, op.cit. pp.251-252; Manchester Guardian, 18 December 1928; Sylvia Marguiles, The Pilgrimage to Russia, (London 1968) pp.19-23; D.V.P. Vol XI, Doc.No. 338.
  2. Ibid, Doc.Nos. 333, 338. Joynson-Hicks wrote to Cushendun on 23 October 1928 that there were 'various political and electoral considerations to be examined' regarding the delegation's visit. N5094/11/38, FO 371/13310.

100

with the usefulness of either the plan to send a delegation or Joynson-Hicks' talk with Avramov (1).

The Foreign Office attitude was one of studied indifference, neither encouraging nor discouraging the delegation's planned visit to Moscow (2). As the size and scope of the delegation were expanded, the preparations took longer to complete and it was not until the end of March 1929 that the delegation, consisting of representatives of 85 British firms, finally arrived in Moscow. In a speech to the delegation on 5 April, Grigori Piatakov, the Chairman of the Soviet State Bank, stated that the Soviet Government could easily give orders to British industry totalling £150-200 million, provided that full diplomatic relations were restored and suitable credit arranged. He emphasised that the visit coincided with the beginning of the Five Year Plan, in which Britain could be given a more important role if

---

1. Cushendun told Joynson-Hicks that they 'ought to have nothing to do with the scheme or the delegation'. Minute by Cushendun, 1 November 1928, N5094/11/38, FO 371/13310.
2. Minute by Sir Arthur Willert, head of Press Department, 10 August 1928, N4004/11/38, FO 371/13310. Chamberlain minuted on 11 March 1929: 'I regard this visit as purely an affair of the traders themselves; it has no political meaning or interest'. N1483/18/38, FO 371/14029.



- 199 -

regular relations were restored (1). The Soviet side had expressed considerable doubts, both in private and later in public, that this trip might be 'used by the Conservatives for party;electioneering purposes', but they considered that even though that might be so it could be 'useful' (2). In fact, Piatakov's speech and the promises included in it were calculated to appeal to the Labour and Liberal parties who were advocating the resumption of diplomatic relations in the election campaign.

The delegation's report, which called for the re-establishment of diplomatic relations was not published until after the 1929 general election, but many members returned to Britain full of optimistic ideas on the prospects for trade (3). The Foreign Office took a restrained view of the prospects, expressing scepticism as to whether so many orders could really be allocated to Britain under the Five Year Plan; furthermore, it was thought inconceivable that British banks, given the state of the British

- 
1. Coates, op.cit. pp. 318-319; D.V.P. Vol XI, Doc.No.385, Vol XII, Doc.Nos. 35, 65, 68.
  2. Popov, Anglo-Sovetskie Otnosheniya, op.cit. p.153; Kliment Voroshilov Stat'i i Rechi, (Moscow 1937) p.303. The British delegation's visit does seem to have inspired a similar visit by American businessmen in July-August 1929.
  3. A copy of the report 'Trade with Russia' is in the papers of Lady Astor, held in Reading University Library, Mss. 1/1/788.

economy, could give credits of sufficient quantity and duration to attract these orders (1).

The news of the discussions of the industrialists' visit encouraged greater pressure from the Labour Party on the Government in the second half of 1928 for an extension of Government guarantees to credits and other measures to encourage trade. Churchill maintained in Parliament that it was 'misleading' to expect trade with the Soviet Union to have 'the slightest effect' on the unemployment situation in Britain, but in mid-December, his Parliamentary Private Secretary, Robert Boothby, made a speech encouraging visits by industrialists and financiers to Soviet Russia and suggesting that provided 'adequate guarantees and undertakings' were given 'a large amount of credit' was available in the City (2).

Having taken note of some signs of a change in parliamentary opinion over relations with Soviet Russia, Chamberlain brought the matter before the Cabinet in January 1929, not long after his return to full time work at the Foreign Office (he was convalescing from a bad attack of pneumonia from August to December

- 
1. Minute by Simon Harcourt-Smith, member of Northern Department, 21 June 1929, N2975/18/38, FO 371/14030; minutes by members of Department of Overseas Trade, July 1929, file 276/B, B.T. 60/22/1.
  2. H.C.Deb. Vol 222, Col 257; Times, 15 December 1928; Izvestiya, 19 December 1928.

1928). Putting the debts question on one side, Chamberlain asked whether his Cabinet colleagues still felt that it was undesirable to renew relations with Soviet Russia, considering that his own line had been that assurances of a cessation of the abuses of the relationship preconditioned a change of policy. The Cabinet agreed that their 'general attitude' was still against a resumption (1).

The Foreign Office reviewed the situation in the Soviet Union and the Anglo-Soviet relationship in the form of a long memorandum prepared by George Villiers, the head of the Northern Department, in February 1929, which was later circulated to the Cabinet by Chamberlain. He drew a pessimistic picture of the Soviet internal situation, based largely on information from Polish and German sources:

'The outstanding features of the last six months are the shortage in the food supply, the internal dissensions in the Communist Party, which have resulted in the formation of definite parties, and the great aggravation of the hostility between the towns and the country. The conflicting claims and demands of industry and agriculture are the crucial questions in Russia today... All the reports and information which have reached the Foreign

---

1. Cabinet Conclusions, 21 January 1929, 1(29)2, CAB 23/60; Petrie, op. cit. Vol II, p.328.

Office during the last few months show a striking unanimity in regard to the marked deterioration which has taken place lately in every sphere of public and private life in Russia, and it is interesting to learn that the Bolsheviks themselves date this rapid deterioration from the rupture of relations with this country'.

He devoted less space to Soviet foreign policy, but he did argue that it 'has not altered one jot or tittle'. He summed up:

'The imperative need of foreign capital and for expert advice, if a complete breakdown of the machine is to be averted, may compel a change of head if not heart. Meanwhile, nothing would delay a change so much as overtures from H.M.G. and a resumption of diplomatic relations with this country' (1).

The case against any change in British policy vis-a-vis Soviet Russia was argued no less strongly in the last review of foreign policy prepared under the Conservative administration, in April 1929. The Foreign Office view was that the British Government 'remain prepared to consider a resumption of relations, conditional upon the full recognition by the Soviet of their liabilities towards this country, and upon a complete cessation of hostile propaganda on the part either of the Soviet Government or of the Communist

---

1. D.B.F.P. IA/VI, Doc.No. 102.

208

International. These contingencies are, however, so remote as to be negligible' (1). By the spring of 1929, therefore, the Foreign Office line had hardened significantly, and almost imperceptibly the debts question had been added to the other precondition (the cessation of hostile propaganda) for any consideration of a resumption of relations.

In the first half of 1929 British politics was dominated by the forthcoming election campaign, and, contrary to later claims, this period before and during the election was dominated not by foreign policy issues but by domestic ones, notably the question of growing unemployment (2). Both the Labour and Liberal Parties included the renewal of relations with the Soviet Union amongst the points in their manifestoes, but the Conservative Party manifesto contained no mention of the subject. In the election on 30 May 1929 for the first time the Labour Party became the strongest party, but still without an overall majority.

Changes in personnel in the Conservative Cabinet, due to death and resignation, had no affect on the general policy towards the Soviet Union. The

---

1. Ibid, App.I.

2. Litvinov told the Central Executive Committee in December 1929 that 'the rupture of Anglo-Soviet relations contributed in no small degree to the defeat of the Conservative Party at the last English elections'. Degras, *Soviet Documents*, op.cit. Vol II, p. 419. For the election campaign see Middlemas and Barnes, op.cit. pp.507-528; Marquand, op.cit.pp.477-488.

- 204 -

information received from Joynson-Hicks' inquiries into the Russian banks as well as the evidence produced from Indian sources (and partly made public at the Meerut trial) gave no grounds for the Cabinet to re-assess their policy, since there were no indications to them of a reduction in Soviet hostility towards Britain. Only once in the last year and a half of the Cabinet did Chamberlain bring up the question of general policy towards the Soviet Union, prompted by signs of a change in mood amongst some Conservative back-benchers and business-circles, but the Cabinet attitude, if anything, had hardened.

Chamberlain himself showed no enthusiasm for renewing negotiations in the face of Soviet intransigence; indeed, when the Canadian Government fleetingly considered restoring consular relations in early 1929 in order to promote Canadian-Soviet trade, Chamberlain minuted: 'I hope the Dominions Office will deprecate strongly the resumption of relations. They are of course not necessary for trade as the case of the U.S. shows' (1). However, American-Soviet trade was rather the exception which proved the rule. Litvinov in December 1928 had pointed out that there was a 'difference between normal relations not having been established,

---

1. Minute by Chamberlain, February 1929, in N1387/1387/38, FO 371/14046. The Canadian Government dropped the idea. Balawyder, op.cit. pp. 105-107.

and the cessation of relations where they have already existed' (1). As far as was possible within the limits of the Soviet economic needs, Soviet trade planners diverted orders away from Britain, while maintaining exports to Britain at an unreduced level, so that the trade balance widened further in the Soviet Union's favour (see Appendix One of this thesis). The Cabinet's encouragement of trade with the Soviet Union, in many cases only very lukewarm encouragement, was tempered by the feeling that with growing signs of economic difficulties inside the Soviet Union that country was not promising from either a commercial or a political point of view; nevertheless occasionally the Cabinet adduced positive support for export endeavours (2).

- 
1. Degras, Soviet Documents, op.cit. Vol II, p.353.
  2. An example of economic considerations being given a higher priority than political-strategic considerations can be seen in the Cabinet's decisions during the 1927-1929 period to sell aircraft (civil and military), motor-boats, and submarine mines to the Russians. Chamberlain described the Cabinet policy as one of selling only arms 'useless for attack or obsolete or obsolescent'. Minute, 6 January 1928, N6164/1157/38, FO 371/12600. Churchill consistently opposed 'the supply of war material to Soviet Russia which might, in certain circumstances, be used against us'. Cabinet Conclusions, 21 November 1928, 52(28)6, CAB 23/59. See also Cabinet Conclusions, 13 June 1928, 35(28)5, CAB 23/58, and 23 January 1929, 2(29)3, CAB 23/60.

Lacking detailed information about Soviet policies, both domestic and foreign, the British found it difficult to appreciate the changes taking place within the Soviet leadership (they underestimated the control Stalin had gained of the machinery of power) and only gradually did the elements of the new Comintern line become understood. Suspicions of Soviet intentions at the Geneva disarmament discussions and towards the Afghan problem were apparent, but other more worrying aspects, such as the secret Soviet-German military collaboration, were overlooked. In general, the Foreign Office adopted a 'watching and waiting' attitude to the Soviet Union; the harder line adopted in the first half of 1929 seems to have been in part a reflection of the personal opinion of the new head of the Northern Department, Villiers, although of course the guidelines for the policy had been settled by Chamberlain and the Cabinet.

On the Soviet side too there were signs of a policy of waiting, or rather of waiting out the Conservative Cabinet, in the hope that a Labour-Liberal combination might be returned at a general election. Even though the new Comintern line was hyper-critical of the Labour Party, the election of that party seemed the best chance of a restoration of relations. Attempts



to utilise the Soviet ordering policy to influence the Cabinet to change track had little influence, and continued activity in India had only brought a hardening in the Cabinet's attitude.

Apart from occasional fears of aggressive action from Poland, the short-term prospect of war was receding; the 'danger of war' theme used by the Soviet and Comintern organs became more and more an artificial construct. Suspicions of united capitalist action became seen less in military-political terms as in financial and economic terms, but Britain was still thought to be the organiser.

After the set-backs of 1927, Stalin forced through his policies for the internal reconstruction of the Soviet Union. The new Comintern militant left line corresponded to the leftward swing in internal politics, but was out of touch with the changing situation in Britain and the Empire. Stalin seems to have had little faith in the revolutionary effusions of the Comintern, and though he told a visiting senior Japanese politician in January 1928 that he was 'not a diplomat but a man of practicalities' (1), he preferred to use the diplomatic arm for his purposes of securing the minimal contacts necessary for the economic inter-course vital to his economic planning and of averting

---

1. Record of conversation between Stalin and Goto Shinpei, 7 January 1928, Goto Shinpei Papers, held in the National Diet Library, Tokyo, reel 52.

any external threats to the Soviet Union during the vulnerable period of reorganisation through collectivisation and industrialisation. Soviet diplomacy ventured into disarmament talks and multilateral pacts, accompanied by the propaganda of 'peace'.

Chicherin, suffering from recurrent bouts of illness and probably increasingly out of sympathy with Stalin's opinions, left the Soviet Union for treatment and rest in Germany in September 1928 (1), and although Litvinov effectively took over the day-to-day running of the Narkomindel, the ultimate control and supervision of foreign policy remained with Stalin.

During 1928-1929 the relationship with the Soviet Union remained an unsettled and sometimes obscure problem in British foreign policy perspectives, and the other problems and elements of the malaise of Europe seemed to take precedence. The Labour Government, however, were determined to try to bring the Soviet Union back into the mainstream of European international relations. It was to be a story of optimism turning to frustration.

---

1. Gorokhov, Zamyatin and Zemskov, op.cit. pp. 212-213; Von Laue, op.cit. p.278.

## CHAPTER SIX: RENEWING RELATIONS

One of the first acts of Arthur Henderson, on being appointed Foreign Secretary in MacDonald's second Cabinet, was to assemble the permanent Foreign Office staff and emphasise to them that there could be too much 'continuity' in foreign policy. One of the foreign policy issues he had in mind was the question of the relationship with the Soviet Union, for the Labour Party election manifesto had contained the pledge to renew diplomatic and commercial relations.

MacDonald, himself unable to meet once again the strain of the combined offices of Prime Minister and Foreign Secretary, had been forced, reluctantly, to choose not his protégé, J. H. Thomas, but Henderson for the post of Foreign Secretary, after the latter had indicated that he would accept no other position (1). Henderson, despite being unable to speak any foreign languages, had had experience of foreign affairs through his activities for the Socialist International and his role in the peace moves of the War Cabinet. It was the stature derived from his role in the Socialist International coupled with his ability as a Party

---

1. Marquand, op.cit. pp. 489-91.

administrator (he continued to be General Secretary of the Labour Party) that enabled Henderson to force MacDonald's hand. Nevertheless, MacDonald still maintained an active interest in foreign affairs, indeed announcing that he would keep Anglo-American relations under his own personal aegis, so that personal and political differences between the two leaders were to be reinforced by what Henderson saw as MacDonald's interference (1).

Although the left-wing groups within the Labour Party, such as the I.L.P., were unrepresented in the new Cabinet, back-bench and extra-parliamentary pressure on the emotive issue of relations with Soviet Russia had to be considered by Henderson. As Hugh Dalton, the Parliamentary Under-Secretary for Foreign Affairs noted, some of these groups urged that 'nothing short of an immediate exchange of Ambassadors will soothe Soviet pride, suspicion and inferiority complex' (2).

However, the Labour Party leadership, although committed to the improvement of relations for economic and internationalist motives, had undergone 'a marked

- 
1. See Carlton, op.cit. pp.23-29; Vansittart, op.cit. pp. 392-393.
  2. Hugh Dalton, Call Back Yesterday: Memoirs, 1887-1931, (London 1953) p.229.

cooling off' in their feelings by comparison with 1924 (1), and a line of cautious appraisal seemed probable. A further factor was the attitude of the Liberal Party, for the MacDonald ministry lacked an absolute majority in the Commons, but during 1929, at least, the Liberals, substantially in agreement with moderate Labour opinion over re-establishing relations and unable to afford another early election, were, on balance, unlikely to try to bring down the Government as they had done in 1924 (2).

The Labour leaders, anxious to avoid any repetition of the events of 1924, moved cautiously. Henderson asked his officials to draw up a detailed memorandum on the state of relations since 1927, including suggestions as to the procedure to be adopted for resuming relations. The resultant memorandum contained several points of importance for the future negotiations. Firstly, any moves to re-establish relations should be made in consultation with the Dominions, as had been promised by the Conservative Government in May 1929 (3), a procedure that tended to slow down further the renewal of relations. Donald

---

1. Northedge, op.cit. p.320.

2. Robert Skidelsky, Politicians and the Slump, (London 1967), p.85.

3. D.B.F.P. II/VII, Doc.No.1.

212

Lammers~~s~~ has suggested that this commitment might have been 'a discreditable Conservative manoeuvre to harass Labour in the event of an electoral defeat' (1), but it was only fulfilling the requirement, generally accepted since the 1923 Imperial Conference, for inter-Imperial consultation (2). Secondly, the Foreign Office staff argued that the renewal should be made conditional on a Soviet undertaking to abstain from propaganda, leaving the other outstanding issue, debts and claims, to be settled by negotiation after the resumption of relations (3). It was also pointed out, to Henderson's surprise, that there was no need for fresh 'recognition' of the Soviet Government, as the suspension of diplomatic relations in 1927 had not affected the de jure recognition (4).

On 21 June 1929, the Cabinet discussed this memorandum at length, as a result of which it was decided to contact the Dominion Governments and to set up a small Cabinet Committee to consider the economic

- 
1. Donald N. Lammers, 'The Second Labour Government and the Restoration of Relations with Soviet Russia (1929)', in Bulletin of the Institute of Historical Research, May 1964, p.64.
  2. It was expected that the British Government should 'continuously...consult Dominion representatives, and, where such consultation was impossible, to operate within the limits of what they felt the Dominions would accept'. D.C. Watt, Personalities and Policies, (London 1965), p.148.
  3. D.B.F.P. II/VII, Doc.No.1.
  4. Dalton, op.cit. p.229.

aspects of the re-establishment of relations (1).

Despite probable opposition within the Cabinet, the majority decided in favour of inviting a Soviet representative to London to discuss the 'necessary preliminaries' rather than in favour of immediate unconditional resumption (2).

In the debate on the King's Speech, on 2 July, Baldwin inquired whether the Labour Government adhered to the statement of principle as regards Russian relations which had been outlined in MacDonald's Note on the Zinoviev Letter in 1924. MacDonald replied that his ministry stood by the conditions laid down in that despatch (3). This statement has been represented as a 'blunder' for which MacDonald was solely responsible (4), yet, as

- 
1. Cabinet Conclusions, 21 June 1929, 23(29)1, CAB 23/61. The Cabinet file on this Committee, CAB 27/393, contains no record of its activities or meetings.
  2. From June 1929 the Cabinet Conclusions were recorded in a more impersonal manner than previously so no expressions of opinion were recorded. The Soviet Ambassador in Paris, however, received information that in the Cabinet an argument had flared up about tactics, and that MacDonald, Henderson, Thomas, and Lord Passfield (the Secretary of State for the Dominions and Colonies) had carried the day in favour of preliminary negotiations. Popov, Anglo-Sovetskie Otnosheniya, op.cit. p.161.
  3. H.C.Deb. Vol 229, Cols 48, 59, 68-69.
  4. Coates, op.cit. p.231, cites an unidentified Cabinet member as saying: 'Mac's statement was made impromptu; he did not stop to think, and now he has put his foot in it with a vengeance'.

Donald Lammers has pointed out, it was consistent both with the policy line taken by MacDonald and other Labour leaders in the past and with his desire to keep Communism at arm's length and represent the Labour Party as a responsible organisation (1).

Although the majority of the Labour members recognised this, MacDonald came under fire from the pro-Russian group and from the Soviet press, which ridiculed the demands for conditions (2).

MacDonald's statement was endorsed as official policy at the Cabinet meeting on 10 July, when, concerned about the passing of time and the absence of a definite Dominion response (3), the Cabinet decided to invite a Soviet representative to London, but, in order to placate the Dominion Governments, to

---

1. Lammers, op.cit. p.65.

2. Izvestiya, 5 July 1929.

3. Both the Australian and Indian Governments wanted a preliminary discussion between the various governments before any invitation was issued to the Russians, and the Governments of Canada, South Africa, and New Zealand still had not replied by the time of the Cabinet meeting. Foreign Office Memorandum, 8 July 1929, N3284/18/38, FO 371/14030. Dalton recorded that 'we need not take too much notice' of the Dominion replies. Dalton Diaries, 10 July 1929. (Manuscript diary in the possession of the British Library of Political and Economic Science, London).



to make the resumption of relations subject to 'a satisfactory undertaking' with regard to propaganda (1).

However, before the invitation was made, Henderson in turn displayed his caution by making use of an unofficial emissary, Frank Wise, a Labour M.P. and the head of Centrosoyuz in Britain, to sound out the Russians (2). With some knowledge of the draft text of the proposed British Note, Wise left to see Litvinov, who was resting at the Bavarian resort of Bad-Partenkirchen. At a meeting on 12 July, Wise read out the text, but Litvinov replied that the Soviet Government's attitude remained the same, namely that they would not discuss outstanding questions until after the resumption of full diplomatic relations (3). Despite this unfavourable Soviet reaction, Henderson decided to delay no longer and on 15 July authorised the Note of invitation to be sent. The Note stated

- 
1. D.B.F.P. II/VII, Doc.No.9; Cabinet Conclusions, 10 July 1929, 28(29)3, CAB 23/61.
  2. Dalton told Henderson that Wise was 'all right if you want him to leak to the Russians, as on this occasion, but not otherwise.' Dalton Diaries, 10 July 1929.
  3. D.V.P. Vol XII, note 103; Popov, Anglo-Sovetskie Otnosheniya, op.cit. pp.163-164. It is clear from both Litvinov's account and from Dalton's comments (Dalton Diaries, 13 and 15 July 1929) that Wise exceeded his brief. Henderson was reportedly 'vexed at Wise's indiscretions and self-importance'.

210

that the Labour Government were prepared to resume relations, to which end they invited the Soviet Government 'to send a responsible representative to London in order to discuss with the Foreign Secretary direct the most expeditious procedure for reaching as rapidly as possible a friendly and mutually satisfactory settlement of the outstanding questions' (1).

However, on the same day as Henderson authorised the Note of invitation, MacDonald gave an undertaking in Parliament that relations would not be resumed until the House of Commons had had an opportunity of debating the matter (2). MacDonald, in exhibiting once more his penchant for open diplomacy and his caution over the Russian issue, seems also to have misunderstood the Liberal position on this issue (3). This statement had the effect of deferring the actual renewal of relations until at least October as the summer recess was due shortly. At the Cabinet meeting on 17 July, Henderson 'made a row about it' (4), but, unwelcome as the delay may have been to him, he reluctantly had to agree to MacDonald's statement being

- 
1. D.B.F.P. II/VII, Doc.No.3.
  2. H.C.Deb. Vol 230, Cols 18-19.
  3. When Dalton explained that the Liberals would have backed an earlier resumption, MacDonald expressed 'great astonishment'. Dalton, op.cit. p.230. Lloyd George had promised Liberal support for an immediate resumption at a party caucus on 13 June. The Times, 14 June 1929.
  4. Dalton Diaries, 17 July 1929. The Cabinet Conclusions, 29(29)3, CAB 23/61, are uninformative.

allowed to stand, even when, later the same day, MacDonald considered reversing his stand after receiving a deputation of Labour back-benchers. As Henderson explained to Dalton, 'Russia has brought us down once. We can't afford to let it happen twice' (1).

Although the caution of Henderson and, particularly, MacDonald was reflected in the circumspect progress towards a resumption of relations, the Cabinet also considered two related questions which are illuminating as to the general attitude of the Cabinet towards the Soviet Union and also indicative of the pressure brought to bear on the Cabinet by back-benchers.

Firstly, the rejection of Trotsky's application for permission to reside in Britain. In February 1929, Trotsky had been exiled to the Turkish Prinkipo islands, and, encouraged by a visit he had received earlier from the Webbs, he applied for a visa to come to Britain immediately after the General Election. According to Dalton, the permanent officials tried to rush Henderson, on his first day as Foreign Secretary, into giving a negative answer, but

---

1. Dalton, op.cit. pp.230-231. See also Mary Hamilton, Arthur Henderson: A Biography, (London 1938) pp. 310-311.

Henderson instead referred it to the Cabinet (1). However, at the Cabinet discussion on 26 June, the Home Secretary, J. R. Clynes, submitted that since Trotsky's admission would not only lead to possible domestic repercussions, but would also be considered as an unfriendly act by the Soviet Government, 'the arguments against giving shelter to Trotsky seem to me overwhelming'. The Cabinet could only agree on no decision (2), but when Clynes brought up the matter again on 10 July the Cabinet backed his rejection of Trotsky's application, despite representations on Trotsky's behalf being made to Cabinet ministers both by friends of Trotsky and political bodies such as the I.L.P. (3). The decisive reason for this rejection was due consideration of the Soviet Government's attitude and the desire to avoid any irritant to the renewal process (4).

- 
1. Dalton, op.cit. p.219.
  2. Memorandum by Clynes, 24 June 1929, C.P. 165(29), CAB 24/204; Cabinet Conclusions, 26 June 1929, 24(29)4, CAB 23/61. Probably at least two Cabinet members, Passfield (formerly Sidney Webb) and George Lansbury, the First Commissioner of Works, favoured admitting Trotsky. Isaac Deutscher, The Prophet Outcast, (London 1963) pp. 20-21.
  3. Memorandum by Clynes, 9 July 1929, C.P. 198(29), CAB 24/204; Cabinet Conclusions, 10 July 1929, 28(29)5, CAB 23/61.
  4. In his memoirs Clynes admits, in effect, that the decision was made to please the Soviet Government. J. R. Clynes, Memoirs, (London 1937) p.116.

Secondly, the Cabinet's decision to extend the Export Credits Scheme to Soviet Russia. This decision was actuated as much by the Cabinet's genuine desire to obtain orders for British goods as by the desire to show their good faith over resuming relations. All Labour Party members subscribed to the view that an increased export trade to the Soviet Union would be an effective means of reducing unemployment in Britain. The potentially vast Russian market was seen as a salvation for British industry's difficulties. After 1927 Germany and the United States had become the leading suppliers to Russia. The statements made by Piatakov, the Chairman of the Soviet State Bank, to the British industrial delegation in April 1929 about the favourable possibilities for English traders had been noted with satisfaction by the Labour members. The new Cabinet received many requests from traders and back-benchers to re-introduce the Trade Facilities Act and to extend the Export Credits Act so as to include trade with the Soviet Union (1). Although the Cabinet were unsympathetic towards a re-introduction of the Trade Facilities Act (2),

- 
1. Dalton Diaries, 29 June 1929; Memorandum by Thomas, 23 July 1929, C.P. 233(29), CAB 24/205.
  2. Skidelsky, op.cit.pp. 18-19. A joint committee set up by the T.U.C. and the National Executive of the Labour Party strongly urged the re-introduction of the Act, in the autumn of 1929, but they received 'a definite refusal' from the Government. Annual Report of the Labour Party, 1930.

they needed little urging over export credits. Indeed, when the question was brought before the Cabinet by Thomas, in his capacity as the Minister responsible for employment, the only contentious point was whether the promise of an extension of the Export Credits Act could be used as a bargaining-counter in the forthcoming negotiations. The Cabinet were not very impressed with the efficacy of bargaining in this way, and decided, as 'an earnest of good faith', to extend the Act to include Soviet Russia with effect from 1 August 1929 (1). However, as Donald Lammers has pointed out, 'this was hardly a triumph for the left wing,... for the moderates had long had this step in contemplation' (2).

To the Soviet Union, these two Cabinet decisions were undoubtedly welcome; the Trotsky decision for political reasons and the export credit decision for economic and financial reasons. Yet, it is not unlikely that the Soviet leadership interpreted these moves as signs of 'weakness' on the part of the

- 
1. Cabinet Conclusions, 24 July 1929, 30(29)2, CAB 23/61. Henderson told Soviet negotiator Dvoglevsky that the decision had been made in order to create a favourable atmosphere for the negotiations and to develop trade. D.V.P. Vol XII, Doc.No.234. Also Times, 10 August 1929.
  2. Lammers, op.cit. p.65.

Labour Government which could be exploited further. The Soviet authorities had welcomed the inauguration of MacDonald's Cabinet, for as Litvinov explained to Herbette, the French Ambassador in Moscow, a few days after the election, the defeat of the Conservatives had 'really created calmer conditions in the international situation, all the more so because one could expect the quick resumption of Anglo-Soviet relations'(1).

The Soviet press, while continuing to attack Labour leaders as 'reformist flunkeys', toned down the virulence of these condemnations in the immediate aftermath of the election. However, the Labour Cabinet's delay in making a positive move, followed by MacDonald's two statements in Parliament, caused irritated criticism in the Soviet press. Litvinov later claimed that the Soviet Government were 'not a little surprised when the new British Government, instead of directly advising us of their readiness to resume normal relations at once, proposed that we send an envoy to London for negotiations' (2).

David Carlton has suggested that MacDonald's two statements 'may have had a salutary effect in bringing about a more realistic attitude in Moscow,

---

1. D.V.P. Vol XII, Doc.No. 192.

2. Degras, Soviet Documents, op.cit. Vol II, p.419.

- 222 -

where it had originally been hoped that a Labour Government would resume relations immediately and unconditionally' (1), but there is evidence to suggest that, whatever Litvinov later claimed, the Narkomindel had correctly anticipated probable Labour policy even before MacDonald's statements. The June 1929 edition of the Narkomindel's authoritative journal Mezhdunarodnaya Zhizn contained an article pointing out that it was 'inconceivable that the MacDonald Government would simply make a declaration on the lines of the 1924 one, about re-establishing relations and the exchange of Ambassadors'. The article speculated that the new Government 'will try to guarantee the interests of the creditors and make a gesture to protect its calm country from Comintern's subversive work, before giving us satisfaction for the insult made against us' (2). The Narkomindel had not expected an unconditional or immediate resumption, and their objective in the subsequent negotiations was to minimise as far as possible the conditions that would have to be fulfilled before resumption.

This objective was apparent in the Soviet reply to the British Note a week later, in which,

---

1. Carlton, op.cit. p.150.

2. Mezhdunarodnaya Zhizn, June 1929, pp.75-80



223

although agreeing to despatch a negotiator, use was made of the word 'procedure' in the British Note to restrict the proposed scope of the negotiations (1). In his initial instructions from Narkomindel, Dovgalevsky, Ambassador in Paris and designated negotiator, was instructed to inform Henderson that the quickest procedure for settling the outstanding questions was for an immediate exchange of Ambassadors, after which the Soviet Ambassador in London and Henderson, aided by their experts, could discuss the outstanding questions. He was told to parry firmly any attempt by Henderson to start a discussion on the existing points at issue, although he could state that 'by and large the Soviet Government adhere to the 1924 Treaties'. (2).

Having received information that the Soviets were likely to accept the British invitation, Henderson brought the matter before the Cabinet, which decided to adhere to the policy of exchanging ambassadors only after Parliamentary approval, despite the pressure that Henderson was still under from some back-benchers to

- 
1. According <sup>to</sup> ~~the~~ the Soviet Note the British Government 'aims at preliminary exchange of views exclusively regarding procedure to be followed in subsequent discussion of disputed questions and not at an actual discussion of these questions'. D.B.F.P. II/VII, Doc.No.5.
  2. D.V.P. Vol XII, Doc.No. 229.

agree to an immediate exchange (1). The text of the Soviet acceptance, when it was received later the same day, 24 July, caused some uneasiness in the Foreign Office, where the officials were agreed that the limited nature of the talks envisaged by the Soviets could well result in an impasse in the future conversations. However, at Dalton's insistence it was decided simply to invite Dovgalevsky to London, without questioning his terms of reference (2).

In his first meeting with Henderson on 29 July, Dovgalevsky, following exactly his instructions (as, so far as can be determined from the published documents, he was to do throughout the negotiations, rarely taking any step without authorisation) indicated that the first point of procedure to be discussed should be the resumption of relations and the exchange of ambassadors. Henderson explained that the commitment to Parliamentary approval meant that relations could not be resumed before late October, and that 'in the meanwhile there was plenty of work to be done, and the interval could usefully be occupied in defining clearly the principles to be observed for the settlement of

- 
1. Cabinet Conclusions, 24 July 1929, 30(29)1, CAB 23/61. The following day Henderson received a deputation from the engineering industry requesting a resumption before the recess. Manchester Guardian, 26 July 1929.
  2. Dalton, op.cit. p.231; minutes in N3416/18/38, FO 371/14031.

- 223 -

outstanding questions; it might even be possible to make some concrete advance in certain of the questions for discussion'. It was a well-intentioned move by Henderson to put the available time to good use, but Dovgalevsky, whose knowledge of English was imperfect (1), misunderstood the sense of Henderson's statement. In his report to Moscow, the Ambassador records Henderson as proposing 'in order not to waste time, starting negotiations today on the substance of all outstanding questions, namely debts, claims and propaganda' (2). Dovgalevsky replied that he would have to report Henderson's statement to Moscow and ask for instructions.

Dalton thought that 'a good start' had been made at this first meeting (3), but the text of the Note of protest that Dovgalevsky handed over to Henderson at the next meeting on 31 July showed that, on the contrary, the talks were about to break down before having hardly started. The Note alleged that the British side 'do not desire or are unable to bring about the resumption of relations. If such were not the case, the British Government would not have

---

1. Dovgalevsky admitted that he spoke English badly; but, although interpreters were standing by, they were not used. D.V.P. Vol XII, Doc.No. 234.
2. Ibid, Henderson's account is D.B.F.P. II/VII, Doc.No. 10.
3. Dalton, op.cit. p.231.

proposed, as a preliminary condition for the re-establishment of normal relations, the solution of questions so complicated and contentious as the mutual claims and counter-claims' (1). Dvlgalevsky stated that he had been instructed to return to Paris and that the Narkomindel would be compelled to ask for fresh instructions from the Presidium of the Central Executive Committee. Henderson objected to this interpretation of his views, and a heated exchange followed; the differences were not resolved (2), and Dvlgalevsky left for Paris.

Henderson implied in Parliament later and also explained to Horace Seymour, the new head of the Northern Department, that the hitch in the negotiations occurred because the British Government, owing to Parliamentary commitments, were unable to agree to the immediate exchange of Ambassadors (3). On the basis of the available Soviet documents, it seems that the Narkomindel, however, decided on the basis of Dvlgalevsky's account of the conversation that Henderson was trying to force preliminary conditions on to the Soviet side, a move that they were determined

L

- 
1. D.B.F.P. II/VII, Doc.No.11.
  2. D.V.P. Vol XII, Doc.No. 237.
  3. Minute by Seymour in N3356/18/38, FO 371/14031; H.C.Deb. Vol 231, Col 896.

to avoid if possible. Certainly, even the British side had not intended to obtain any settlement of the claims issue before a resumption of relations (1). Aware of his own officials' advice, Henderson was unlikely to have proposed a claims settlement as a pre-condition for resumption. On balance it seems that it was, as Dalton claimed, 'a misrepresentation, no doubt quite well-intentioned, but, still a misrepresentation' of Henderson's words by Dovgalevsky that led to the breakdown (2).

This result does not support Henderson's biographer's assertion that 'a good start was made... quickly and efficiently followed up' (3). One Soviet historian has written that the Labour Government's tactics were 'to drag out the negotiations until the opening of Parliament, forcing the Soviet side to make concessions in the negotiations' (4). The following month of manoeuvring was, however, a period during which the British side endeavoured to re-establish contact with the Russians. Moreover, the delay worked

- 
1. In mid-June 1929, Henderson's officials pointed out that, for an early resumption of relations, 'the conditions laid down should not include any reference to claims or confiscated properties, on which agreement cannot be looked for'. D.B.F.P. II/VII, Doc.No. 1.
  2. H.C.Deb. Vol 231, Col 1002.
  3. Hamilton, op.cit. p.311.
  4. Popov, Anglo-Sovetskie Otnosheniya, op.cit. p.166.

to the Soviet advantage to the extent that the British Cabinet came under greater pressure from the Labour back-benchers.

While uncertain moves were being made on the diplomatic front, the other arm of Soviet foreign policy, the Comintern, continued to vilify the Labour leaders. The Tenth Plenum of E.C.C.I. opened on 3 July 1929, and was primarily concerned with completing the change in tactics introduced a year earlier at the Sixth Congress. Stalin's success in the internal party struggle was emphasised by Bukharin's removal from the Presidium and the absence of any serious challenge to the official policy line (1). The Labour Government typified the political bodies that the new Comintern line so violently opposed, and the plenum forecast that the British workers' illusions about the new Labour Government would soon be shattered. Otto Kuusinen, in his report to the plenum, argued that MacDonald, like the Conservatives, would try to plan for a war against the Soviet Union, but by using more roundabout methods (2). Despite these ritualistic attacks on the Labour leaders, it was

- 
1. Carr, Foundations of a Planned Economy, op.cit. Vol 3, pp.247-257.
  2. Degras, Comintern, op.cit. Vol III, pp.45-46; Otto Kuusinen, Izbranniye Proizvedenniya, (Moscow 1966) pp. 137-138.

noticeable that at this plenum the pride of place as leader of the anti-Soviet bloc was given to France, a tendency which was to become more pronounced as the Depression deepened and the Soviet leadership's evaluation of the European situation altered. Although Lozovsky, the head of Profintern, told the Plenum that the coming to power of the Labour Government presented 'splendid opportunities to the British Communist Party of developing into a mass party', the poor showing in the May 1929 election when official Labour candidates were opposed for the first time, continued low membership figures and disagreements among the party leadership did not augur well for the future prospects of the British Party committed to the new tactical line (1).

The Tenth Plenum devoted little attention to the colonial situation and the brief discussion of the Indian question assumed more of the character of a post-mortem, since the Meerut trial had 'obliterated' the erstwhile Indian Communist Party as well as the Workers' and Peasants' Party. The Soviet and Comintern press attitude towards India showed signs of a temporary lull in critical comment while the London negotiations for a resumption of relations

---

1. Carr, Foundations of a Planned Economy, op.cit. Vol 3, pp. 389-392; Eudin and Slusser, op.cit. Vol 1, p.31.

continued. In India itself there was minimal evidence of communist activity and the industrial situation was comparatively peaceful. With the Indian communist movement 'virtually defunct' there was little that could be done to implement Lozovsky's call for 'all-out war on the Indian bourgeoisie' (1). In Britain, however, Wedgwood Benn, the Secretary of State for India, was to come under pressure from Labour left-wingers to declare an amnesty for the Meerut defendants, but, although the Public Safety Ordinance was withdrawn, the Government of India refused to compromise over the trial, which was to continue inexorably until 1933 (2).

The defence aspects of the Russian question in relation to India were given only a cursory examination at the first meeting of the Committee of Imperial Defence held under the Labour Government, on 27 June 1929. The Committee confined themselves to merely taking note of the Chiefs of Staff annual review, which stated that 'the task of maintaining local and internal security in Egypt, India and the Far East is

- 
1. Imam, op.cit. pp. 279-282; Carr, Foundations of a Planned Economy, op.cit. Vol 3, pp. 941-944.
  2. P. S. Gupta, Imperialism and the British Labour Movement, 1914-1964, (London 1975) pp. 203-204; Benn to Irwin, 13 August, and Irwin to Benn, 20 August 1929, India Office Records, L/P&J/6/1978.



the chief preoccupation of our garrisons in those countries' and that 'the Soviet is concentrating more and more on British colonial possessions in the Far East with a view to creating serious embarrassment for us' (1).

After the breakdown of the initial negotiations in London, the initiatives for a resumption of discussions came from the British side, but the feelers were put out not through the diplomatic channels available, such as through the Foreign Office and either the Norwegian or German Governments, but through the unofficial channels of the pro-Soviet members of the Labour movement. While Henderson was attending the Reparations Conference at the Hague in the first week of August, MacDonald and Dalton made the first attempt to restart negotiations. MacDonald, now aware of Labour back-bench feeling (2), sent on to Dalton what the latter described as 'a very reasonable version of our requirements on Russian propaganda

- 
1. 'Review of Imperial Defence 1929', 21 June 1929, C.I.D. 948-B, CAB 4/18; C.I.D. Minutes, 27 June 1929, CAB 2/5.
  2. The Russians received information that MacDonald had at first expressed 'complete satisfaction' with the breakdown in negotiations, and that only after Henderson had persuaded a delegation of Labour back-benchers to remonstrate with MacDonald did the Prime Minister agree to leave the Russian question to Henderson. Popov, Anglo-Sovetskie Otnosheniya, op.cit. 169. Yet MacDonald was clearly not averse to attempting to play a role in re-starting negotiations.

and debts' (1). As MacDonald outlined it, 'our position is not, + has not been, that propaganda must cease before recognition (sic), + that a satisfactory debt settlement should be made, but that Moscow should give us good evidence that on both subjects it recognises its obligations and gives us assurances satisfactory to us that it is to face them with a genuine desire to settle them' (2). MacDonald suggested that some of the Labour Russophiles should be given the substance of this letter, so that it could be leaked to the Soviet side.

Dalton chose Wise and George Ewer, the foreign affairs editor of the Daily Herald, and, at the same time, publicly expressed the Government's readiness to meet the Russians half-way (3). Wise, on his way to Moscow, had a long talk at the Hague with Henderson, who later recounted: 'though I was friendly, I adhered firmly to the position I had taken up with Dovgalevsky, and told him that, in my opinion, he was not likely to help in securing the object he had in view if he gave the Russians the impression that we were always ready to modify our attitude whenever they presented a difficulty real or unreal' (4). Neither Dalton's public pronouncement nor Wise's conversations evoked any

---

1. Dalton, op.cit. p.231.

2. MacDonald to Dalton, 3 August 1929, FO 800/280.

3. Times, 10 August 1929.

4. Henderson to Dalton, 17 August 1929, FO 800/280.

response from the Soviet side.

The Soviet press had been quick to criticise Henderson's action during the initial conversations (1), and Soviet diplomats made the same points during talks with third parties. Krestinsky, the Soviet Ambassador in Berlin, explained to Streseman on 4 August that 'we are not making concessions... we are not starting preliminary negotiations on outstanding questions' (2). According to Louis Fischer, he was told at this time by Litvinov that the Soviets would 'maintain their stand even if it meant no relations with England during the entire term of office of the MacDonald Cabinet' (3). Soviet obstinacy may well have been based on the belief that time (in so far that at least two months would elapse before the return of Parliament) might work in their favour.

Indeed, a month later, Henderson made another attempt to re-start negotiations, by again sending an unofficial emissary to Moscow. This agent (probably Wise) told the Narkomindel authorities that, although Henderson was prepared to renew negotiations on the procedural programme for the future discussion of outstanding questions, the initiative for the renewal of the negotiations should come from the Soviet side, as

- 
1. Izvestiya and Pravda, 2 August 1929.
  2. D.V.P. Vol XII, Doc.No. 421.
  3. Fischer, op.cit. p.604.

they had suspended the talks at the end of July. The Soviet side rejected this proposal, suggesting instead that representatives of both sides should give press interviews on prepared lines, after which negotiations could begin (1).

Henderson must have agreed to this Soviet proposal, because on 4 September, while he was in Geneva attending the General Assembly of the League of Nations, he made a statement, stressing that although the resumption of relations would not take place without Parliamentary approval, the invitation to a Soviet representative to discuss 'the most expeditious procedure' still stood (2). The controversial question of pre-conditions for a resumption was carefully avoided; as it was in Litvinov's reply two days later (3). Henderson informed MacDonald that as Litvinov's reply was 'sufficiently satisfactory in character' a note of invitation could be despatched to the Russians. On 12 September the Soviet Government

- 
1. Popov, Anglo-Sovetskie Otnosheniya, op.cit. pp.169-70.
  2. Coates, op.cit. pp.326-7.
  3. D.B.F.P. II/VII, Doc.No.12. The swift response of Litvinov, which has surprised both contemporaries and historians (e.g. Carlton, op.cit. p.152), is explained by the fact that the issue of both statements was pre-arranged, probably without Foreign Office fore-knowledge.

agreed to send Dovgalevsky to London to meet Henderson on his return from Geneva on 23 September (1).

The question of referring to the Presidium of the Central Executive Committee for additional instructions (a threat only made to pressurise Henderson) was quietly dropped (2). Nevertheless, the Soviet Government were at pains publicly to reiterate their position during the period prior to the opening of the second round of negotiations. Rykov, addressing a congress of Moscow Soviets, declared that Dovgalevsky's authority was strictly limited to discussing procedural questions (3). Molotov affirmed that it was 'only after the re-establishment of normal diplomatic relations that negotiations can commence regarding the essential points at issue, regarding claims and counter-claims' (4). Clearly hard bargaining lay ahead.

The course of the negotiations, as far as can be ascertained from the available Soviet and British documents, bear out Gordon Craig's observation

- 
1. Ibid, Doc.Nos. 13, 16, 17.
  2. D.V.P. Vol XII, Doc.No. 280.
  3. Daily Herald, 23 September 1929; Izvestiya, 28 September 1929.
  4. Inprecor, 4 October 1929.

that 'negotiations with the Soviets have generally been marked by an almost automatic Soviet opposition at the outset to all proposals from the other side of the table, followed by persistent and uncompromising advocacy of the Soviet point of view' (1). Moreover, Dovgalevsky was bound by rigid directives that allowed him little flexibility (2).

At the first meeting on the morning of 24 September, Henderson pointed out to Dovgalevsky 'the great advantage of carrying matters as far as possible at the present stage' and handed him a list of questions for discussion. The questions listed were propaganda; arrangements regarding diplomatic and consular missions; debts and claims; fisheries; commercial treaties and allied questions; and the application of previous treaties and conventions. Dovgalevsky laid stress on 'the difficulty of deciding details at this stage', but after further discussion it was agreed that the following day Henderson should hand over a memorandum elaborating his proposals in detail (3).

- 
1. Gordon A. Craig, 'Totalitarian Approaches to Diplomatic Negotiation' in A.O. Sarkissian, editor, Studies in Diplomatic History and Historiography in honour of G.P. Gooch, (London 1961), p.120.
  2. His instructions, as quoted in Popov, Anglo-Sovetskie Otnosheniya, op.cit. p.171, stated: 'Comrade Dovgalevsky must not make any proposals on his own initiative about procedure and the agenda, since we consider that even discussion of these questions could be postponed until the exchange of Ambassadors'.
  3. D.B.F.P. II/VII, Doc.No.18; D.V.P. Vol XII, Doc.No.290.

The following morning Henderson brought this proposed memorandum before the Cabinet. The discussion revolved around the questions of propaganda and debts. The Cabinet agreed finally to Henderson's suggestion that Article 16 of the 1924 Treaty be used as the basis of the general commitment to refrain from propaganda, with the proviso that this formula covered the Comintern (1). The Cabinet also approved Henderson's suggestion to reserve inter-governmental claims for later discussion, while other debts and claims should be considered by a special joint committee (2). In the afternoon, Henderson handed over the final text of the memorandum, but no discussion of its contents took place (3).

At the meeting the following morning, 26 September, Henderson and Dovgalevsky considered the list which had been handed over by Henderson at their first meeting. Following the receipt of telegraphic instructions from Litvinov, Dovgalevsky handed over a revised list of questions, in which propaganda was relegated from first to fifth place, a new item, 'the attitude of both Governments towards the 1924 Treaties', now came top of the list, and the item regarding

- 
1. Cabinet Conclusions, 25 September 1929, 34(29)1, CAB 23/61..
  2. Memorandum by Henderson, 24 September 1929, C.P.259(29), CAB 24/206.
  3. D.B.F.P. II/VII, Doc.No.19; D.V.P. Vol XII, Doc.No.294.

diplomatic missions was omitted (1). The most contentious point was the propaganda issue. Henderson explained that it was the British intention 'to ask for the guarantee about propaganda at the moment of the exchange of Ambassadors', but since no agreement could be reached the discussion of that issue was postponed for the time being (2). Although when talking to Henderson Dvlgalevsky had proved obdurate, in his telegram to the Narkomindel he suggested that he might 'accept as a concession Henderson's proposal about the timing of the declaration on propaganda on the condition that propaganda does not occupy first place on the list' (3).

When the two met again that afternoon, Henderson handed over a revised list of questions in which a distinction had been made between those matters to be dealt with at the time of the exchange of

- 
1. Litvinov seems to have interpreted this last item as referring to the Ambassadors themselves, and instructed Dvlgalevsky to deliver a strong protest that negotiations could not proceed without the removal of this item. D.V.P. Vol XII, Doc.No. 293. As Dvlgalevsky realised from Henderson's memorandum, the item in fact referred to the establishment of consular posts and a request for the release of certain Soviet citizens formerly employed at the British Mission in Moscow in 1927 and believed to have been exiled as a result.
  2. D.B.F.P. II/VII, Doc.No.20.
  3. D.V.P. Vol XII, Doc.No.295.



280

Ambassadors and those to be considered subsequently. Into the first category fell the question of propaganda, diplomatic missions and the revival of the 1923 Fisheries Agreement. Into the second category fell all the other points on the original British list, with the addition of the Soviet item regarding the attitude towards the 1924 Treaties. Dovgalevsky, still awaiting Moscow's comments on the British memorandum and on the propaganda guarantee, confined himself to accepting the second part of the revised list. By mutual consent, discussion of the propaganda item was postponed until the following day, but no agreement could be reached either on the two remaining items on the first part of the list, and the meeting broke up inconclusively, after two stormy hours. According to Dovgalevsky's account, 'Henderson's arguments mainly reproached me for my unwillingness to ease his position in Parliament, which, he said, would not allow diplomatic relations to be re-established without our adoption of the three conditions of the first part' (1).

At the next meeting, on the morning of 27 September, Henderson started by explaining that instead of two lists, he was reverting to the idea of one list, based on the Soviet list of the previous day,

---

1. Ibid, Doc.No. 296; D.B.F.P. II/VII, Doc.No.20.

- 240 -

with the addition of the word 'debts' to the claims item and the omission of the propaganda item. The long argument over the propaganda item reduced itself to Henderson's proposal that both countries make mutual pledges, reproducing Article 16 of the 1924 Treaty, 'immediately on the exchange of Ambassadors, and not later than the same day as that on which the respective Ambassadors present their credentials'. According to Dovgalevsky's report to Moscow, Henderson declared that this was 'the furthest extent of his concessions'; the Soviet negotiator recognised that no further concessions could be extracted from Henderson, and that the Soviet side should make this concession to Henderson (1).

The Soviet side had anticipated that, with the annual Labour Party Conference due to open on 30 September in Brighton, Henderson would propose an interruption in the negotiations (2), but, instead,

- 
1. D.V.P. Vol XII, Doc.No.297; D.B.F.P. II/VII, Doc.No.21.
  2. Before the opening of negotiations, on 22 September the Soviet Embassy in Paris received a telephone call from Wise, who said that the negotiations might have to be suspended during the Labour Party Conference and could not be completed until October. Popov, Anglo-Sovetskie Otnosheniya, op.cit. pp.171-172. Dovgalevsky was careful not to tell Henderson about his foreknowledge of a possible interruption. D.V.P. Vol XII, Doc.No.290.

241

Henderson suggested that they meet somewhere near Brighton on 1 October; a suggestion that Dovgalevsky was happy to fall in with (1). While Henderson had consistently tried to re-start and conclude the negotiations over resumption of relations, there was undoubtedly some truth in his critics' charges later that he was influenced by the prospect of being able to announce a successful conclusion to the negotiations during the Labour Party Conference (2).

The final meeting therefore took place at the White Hart Inn, Lewes, and lasted over five hours, as the two negotiators argued over the text of the proposed protocol drafted by Dovgalevsky to replace Henderson's original memorandum. David Carlton has written that the drawing up of the formal protocol was 'achieved without very much difficulty', but the length of the meeting and Dovgalevsky's report that 'the discussion was very difficult; more than once the word "break" was mentioned' <sup>do</sup> ~~to~~ show that it was otherwise. Although Henderson reluctantly accepted most of the Soviet draft, he did win his point over the inclusion of the word 'debts' and, more crucial, over the exchange of the propaganda guarantees. However, when Henderson,

---

1. Ibid.Doc. Nos. 291, 297. Dovgalevsky noted: 'one must admit that Henderson is not dragging out the negotiations'. Ibid. Doc.No. 294.

2. Carlton, op.cit. p.154.

in line with Foreign Office advice and Cabinet policy, pointed out that the British Government regarded Article 16 of the 1924 Treaty as covering propaganda by the Comintern, Dovgalevsky avoided any comment other than that the Soviet Government had more than once explained that they were unconnected with the Comintern (1).

On his return to London, Henderson discussed with his officials whether the Soviet Government accepted the propaganda clause in the Protocol as covering the Comintern. The permanent officials felt that although the Soviet Government would agree neither to the words 'the Comintern' being inserted in the clause nor even that the sense of the clause covered the Comintern, nevertheless, from the British point of view, the statement that the British Government considered the clause as covering the Comintern should be sufficient (2). The Cabinet came to a similar conclusion when the Protocol was discussed and approved on 7 October (3). It was obviously felt that a clear statement of the British interpretation might have some value as a form of deterrent; with Cabinet approval, Henderson specifically detailed the

---

1. Ibid, p.155; D.V.P. Vol XII, Doc.No. 301; D.B.F.P. II/VII, Doc.No.22. A memorandum by Seymour, head of the Northern Department, referring to this interpretation, had been submitted to Henderson the day before. Memorandum by Seymour, 30 September 1929, N4853/18/38, FO 371/14033.

2. Memorandum by Seymour, 4 October 1929, N4631/18/38, FO 371/14032.

3. The Protocol had been signed on 3 October. Cabinet Conclusions, 7 October 1929, 36(29)1, CAB 23/62.

British interpretation during the debate in the House of Commons on 5 November (1). This was the public reiteration of Henderson's statement to Dovgalevsky. Nevertheless, neither the Cabinet nor the Foreign Office officials were particularly sanguine about the prospects of propaganda ceasing (2). However, it was recognised that if relations were seriously intended to be resumed, further concessions from the Soviet side on this point were not practical politics.

After approval by the British Cabinet on 7 October and by the Council of People's Commissars on 11 October, the Protocol was brought before Parliament. In reply to the Conservative Party attacks, led by Baldwin who accused Henderson of making 'a most humiliating surrender', Henderson and Dalton maintained that they had fulfilled the conditions laid down earlier in the summer. Lloyd George and the Liberals supported the resumption of relations, and the Labour Government's policy was endorsed by 326 votes to 201 (3).

- 
1. H.C.Deb. Vol 231, Col 901.
  2. In July 1929 the Foreign Office had noted that 'there is no real expectation or possibility that Communist propaganda and intrigue will stop, whatever promises may be given to the contrary'. D.B.F.P. II/VII, Doc.No.9.
  3. H.C.Deb. Vol 231, Cols 895-1010. See also Dalton, op.cit. pp.232-233. Three Conservatives voted for the resumption of relations.

Although the Conservatives gained a pyrrhic victory when the House of Lords voted against the Government's policy, only the House of Commons' approval was necessary as this was not a legislative act (1).

Problems still remained. Henderson had insisted from the very start of the negotiations on the appointment of Ambassadors rather than any other rank (2), and, despite a number of personal applications, he chose, at MacDonald's 'strong insistence' and with Cabinet approval, a career diplomat: Sir Esmond Ovey, who had been on the Foreign Office 'short list' because he was a good Russian speaker (3). Although the Soviet Government gave their agreement to Ovey, the British found themselves unable to do the same for the first Soviet choice, Lev Kamenev, who had been expelled from Britain by Lloyd George in 1920 for propagandistic activities, so the Soviet Government substituted Grigori Sokolnikov, another repentant opponent of Stalin (4).

- 
1. H.L.Deb. Vol 75, Cols 867-922.
  2. Cabinet Conclusions, 25 September 1929, 34(29)1, CAB 23/61. Henderson's private secretary, Walford Selby, told Lord Stamfordham, private secretary to the King (who objected to an Ambassador), that if Henderson had refused to appoint Ambassadors 'the negotiations would have unquestionably broken down'. Letter of 1 October 1929, FO 800/280.
  3. Carlton, op.cit.pp.156-157; Dalton Diaries, 31 October and 1 November 1929; Hamilton, op.cit.pp.312-313
  4. Memorandum by Henderson, 12 November 1929, C.P.318(29), CAB 24/207; Cabinet Conclusions, 13 November 1929, 47(29)5, CAB 23/62. For Kamenev's 1920 mission see Ullman, op.cit.p.193ff. Dalton, op.cit.pp.233-234, claims credit for Sokolnikov's appointment.

The arrival of Ovey in Moscow on 8 December and Sokolnikov in London a few days later did facilitate the settlement of the problem of relations of the Dominions with the Soviet Union, a matter of constitutional and international law which proved surprisingly difficult to solve. The Foreign Office took their stand on the fact that Article 16 of the 1924 Treaty referred to the 'British Empire', thereby including the Dominions, and the Soviet Government eventually accepted this in a note verbale, in which they observed that the propaganda pledge extended to the Dominions and that if or when normal relations were resumed between the Dominions and the Soviet Government there would be a separate, reciprocal, exchange of the propaganda pledge (1).

Although the Soviet Government objected initially to exchanging pledges<sup>tp</sup>/cover the Dominions, there was no objection to the Government of India being made a party in their own right to the propaganda pledges and being specifically mentioned in the Anglo-Soviet Notes. This policy, suggested by the India Office, had been adopted, as Zafar Imam has noted, 'for the first time in the history of Anglo-Soviet relations' (2). The Labour Cabinet were no less

---

1. D.B.F.P. II/VII, Doc.Nos. 33, 35, 36, 38-40, 42, 43, 48; D.V.P. Vol XII, Doc.Nos. 368, 374; Dalton Diaries, 16 and 18 December 1929.

2. Imam, op.cit. p.288.

concerned than the Conservative Cabinet about propaganda, but this innovation also was consistent with the Labour Party's policy of moving towards dominion status for India (after consultations in London, Irwin made a gesture towards the nationalists in his statement of October 1929 affirming that status as the 'natural issue' of India's constitutional progress). In June 1929 the India Office had enquired of the Government of India's attitude to a resumption of relations, and Irwin had replied that renewing contact 'would present many advantages' particularly apropos Afghanistan, but that the 'all-essential consideration is the securing of adequate safeguards against propagandist and other hostile activities'. The India Office had initially favoured a specific reference to Afghanistan in the propaganda clauses, on the lines of the 1923 agreement, but later supported the Viceroy's opinion that 'a general and comprehensive form of undertaking' on the lines of the 1924 agreement would be preferable. Nevertheless, the India Office did refer the question of the desirability of a reciprocal declaration of non-intervention in Afghanistan's internal affairs to the Foreign Office, but, with Henderson not wishing to compound the difficulties of the other Anglo-Soviet negotiations and with signs of the Afghan internal situation settling



211  
down, the idea was shelved in the spring of 1930 (1).

The exchange of notes took place when Sokolnikov presented his credentials to the Prince of Wales on 20 December and Ovey presented his to the Soviet President, Kalinin, the following day (2). However, even before the exchange of the propaganda pledges, the contradictions in the respective interpretations had come to the surface. On 10 November Izvestiya ridiculed the interpretation given by Henderson to the House of Commons and asserted that the Soviet Government disclaimed any responsibility for the Comintern (3). While not mentioning the Comintern by name, Litvinov clearly was repeating this disclaimer in his speech to the Central Executive Committee on 4 December (4). When the Izvestiya article was discussed in the Cabinet, the consensus was for letting sleeping dogs lie, but explicitly reserving the right to act if that were judged necessary (5). As Henderson telegraphed to Ovey

- 
1. Irwin to Benn, 28 June and 16 July 1929, and Note by Jack Walton, Secretary of Political Department of India Office, 29 June 1929, all I.O. Records, L/P&S/12/4018; Note by Walton, 17 February 1930, and India Office to Foreign Office, 21 March 1930, both L/P&S/12/4021.
  2. D.B.F.P. II/VII, Doc.Nos.45, 46, 47; Harold Nicolson, King George the Fifth, (London 1952) p.438.
  3. Izvestiya, 10 November 1929; D.B.F.P. II/VII, Doc.No.32.
  4. Degras, Soviet Documents, op.cit. Vol II, p.426.
  5. Cabinet Conclusions, 13 November 1929, 47(29)5, CAB 23/62.

in early January 1930: 'there appears to be no prospect of reconciling divergent views of His Majesty's Government and Soviet Government on propaganda issue and I think it unnecessary for Your Excellency to initiate any discussions on the subject at present' (1). Nevertheless, as Donald Lammers has written, 'the contradictory interpretations of the guarantee promptly became a fertile source of Conservative attacks which discomfited the government in all its subsequent dealings with the Russians' (2).

In 1929 both Henderson and Dalton saw the main problem of British foreign policy as 'the removal of the political antagonism that stood in the way of a peaceful international order' (3); closer relations with Soviet Russia was an integral component of their policy. Although neither Henderson nor the mainstream of Labour leaders had any real enthusiasm for the extremist experiments being conducted in the Soviet Union, they did feel that no useful purpose could be served by a policy of boycott (4). Henderson,

---

1. D.B.F.P. II/VII. Doc.No.54.

2. Lammers, op.cit. p.70.

3. Henry R. Winkler, 'Arthur Henderson' in Craig and Gilbert, op.cit. p.324.

4. For Henderson's earlier views on Russia and the Bolsheviks see J. M. Winter, 'Arthur Henderson, the Russian Revolution and the Reconstruction of the Labour Party' in Historical Journal, December 1972, pp.753-773.

- 249 -

in common with other European socialists, felt that 'Russia, with its vast population, cannot be permanently ignored; only by diplomatic and other intercourse with her will it be possible to bring her once more into the family of nations' (1). In contrast to Austen Chamberlain's belief that an attitude of studied reserve would 'moderate' the Soviet Union's attitude to the West, Henderson believed that the same result could be achieved through greater contact.

The chief tenet of Labour's advocacy of a resumption of relations was the trade advantages which could accrue; it was seen as the palliative for the problem of unemployment, which, with the trade revival of mid-1929 fading away, had started to worsen again at the end of 1929. But, for Henderson, and for his immediate circle of Labour advisers, at least as compelling a reason was the desire to increase international amity, most particularly through disarmament, in which it was felt that the Soviet Government had a crucial role to play (not least, it was thought, where Central and Eastern Europe were concerned (2)). The following years were to show

- 
1. Hamilton, op.cit. p.309.
  2. Henderson's Parliamentary Private Secretary, Philip Noel-Baker, exhibiting naivety over Russian realities, said: 'the first step, vital to British interests, which must be taken, is to do everything to promote a policy of world disarmament and to exorcise this spirit of hatred against us which exists among the younger generation in Russia'. H.C.Deb. Vol 231, Col 921.

that Henderson's optimism was unjustified.

Sir Robert Vansittart, who became Permanent Under-Secretary in early 1930, was to criticise Henderson's failing as follows: 'he believed in all that we wish to hold without evidence - brotherhood, peace and goodwill... he thought too well of the Soviets... and I could only diminish his optimism by fractions' (1). Yet, even the course of the negotiations must have dampened Henderson's optimism to a certain extent. While Dovgalevsky tried tenaciously to follow the guidelines of his instructions, Henderson was reduced to bursts of irritability as his opposite number quibbled over relatively minor points. Dovgalevsky reported to Moscow that Henderson 'frequently lost his self-control' and, on another occasion, that 'Henderson angrily complained that his numerous concessions had not met with any reciprocal ones from my side' (2). Moreover, 'the agreement reached left Henderson, at least to all appearances, not only dissatisfied but the more disappointed in that he could not say anything against it' (3).

---

1. Vansittart, op.cit. p.398.

2. D.V.P. Vol XII, Doc.No.301.

3. V.I. Popov, 'Vosstanovlenie diplomaticheskikh otnoshenii mezhdru SSSR i Angliya v 1929 godu', in Novaya i Noveishaya Istoriya, 1957, No. 3, p.108.

Henderson undoubtedly was sensitive about the Parliamentary situation throughout the negotiations. As he made clear to a stormy meeting of the Parliamentary Labour Party, 'Russia is not the only pebble on the beach' (1). He even tried to make use of this factor to his advantage in the negotiations; Dovgalevsky reported that Henderson 'particularly stressed the importance, from a predominantly parliamentary point of view, of the questions of debts and propaganda...I had to listen to a monotonous repetition of this theme a dozen times a day' (2). The Russians, calculating that Liberal support would probably be forthcoming for a renewal of relations, seem to have taken Henderson's words as merely a negotiating tactic, and apart from the propaganda pledge made only minimal concessions (3).

The problem of participation by the Dominions also complicated Henderson's attempts to renew relations. Arthur Ponsonby, the Parliamentary Under-Secretary for Dominion Affairs, who had been the leading British negotiator in 1924, was critical about the extent to which consultation with the Dominions had grown during

---

1. Hamilton, op.cit. p.311.

2. Popov, Anglo-Sovetskie Otnosheniya, op.cit. p.174.

3. D.V.P. Vol XII, Doc.Nos. 295, 296, 301.

the intervening years. He argued that while 'no objection need be taken to the interchange of telegrams' with the Dominions on foreign policy questions, 'there seems to be a tendency on our part to be over-cautious with regard to the susceptibilities of the Dominions' (1).

The Soviet side did gain one point even before the negotiations began, namely the extension of the Export Credits scheme (in 1924 this was to have been accorded only under the terms of the Treaties), and, with other credit negotiations being postponed by the Germans at the beginning of 1929, an alternative source of credit was particularly welcome. The Russians then proceeded during the following months and years to urge improved terms and durations for these credits as the Soviet economy became progressively and excessively reliant on short-term and medium-term credits (2). Having gained an important point, the Russians were less amenable in the subsequent negotiations.

Moreover, the year 1929 saw a slowly growing self-confidence exhibited in the international arena by the still relatively isolated Soviet Union; this

---

1. Paper entitled 'The Dominions and Foreign Affairs', (December ?) 1929, in Ponsonby Papers, held in the Bodleian Library, Oxford, box c.671.

2. Dohan, op.cit. p.611.

found expression in the other major foreign policy issue of the second half of 1929, the dispute with China, which smouldered on during the summer until the Soviet army undertook a vigorous but limited invasion of Manchuria in mid-November and brought about Chinese capitulation in less than a month (1). The pattern of Soviet foreign relations on the diplomatic level, apart from relations with Britain and China, remained at a standstill in the second half of 1929, so that, despite the coolness shown towards an agreement with Britain, the resumption nevertheless was hailed as 'by itself...sufficient proof of our importance in international relations' (2). In the long-term too, the Russians could hope that the British move might prove an encouragement to American recognition of the Soviet Union, although they continued to remain suspicious of signs of an intimate Anglo-American relationship (this relationship had publicly been much improved by MacDonald's visit to America in October 1929).

The change of government in Britain, rather than any change in Soviet diplomatic policy, had resulted in the ending of the two-year break in

- 
1. George Lensen, The Damned Inheritance (Tallahassee 1974) pp.30-124. The British Note in early December 1929 supporting the American reminder to the two powers of the Kellogg-Briand Pact obligations was not received favourably by the Russians. Degras, Soviet Documents, op.cit. Vol II, p.427.
  2. M.I. Kalinin, Voprosi Sovetskogo Stroitelstva, (Moscow 1958) p.448.

relations, but the reduced enthusiasm on both sides (as compared with 1924) was to be reflected not only in the course of the negotiations leading to the resumption in 1929 but also in the subsequent relationship during the life of the Labour Cabinet.



## CHAPTER SEVEN - DISCORDANT NOTES

With the Protocol signed and diplomatic relations resumed, both sides began to work out in detail their attitudes to the outstanding questions, using the two unratified Treaties of 1924 as the starting point. The unpublished Foreign Office papers show that there was a lack of unanimity on the British side as to the approach to be adopted in the forthcoming negotiations. While there was general agreement that certain sections of the 1924 General Treaty, such as the articles covering fisheries and former treaties, could be used as the basis of a suitable agreement, the Foreign Office and the Board of Trade held differing views on the Commercial Treaty. Provided that the article covering diplomatic immunity for the Trade Delegation was tightened up, the Foreign Office were prepared to sign a full treaty, but the Board of Trade advocated a temporary modus vivendi only, leaving the full treaty 'until some reasonably satisfactory progress had been made towards settling the questions of debts and claims'. The Foreign Office officials felt that it was only consistent with the renewal of relations to try for a full commercial treaty and that to defer such negotiations to await progress on the debts issue would, at

best, postpone them for some months, and, at worst, mean shelving them altogether (1).

Despite representations from the Foreign Office, the Board of Trade officials remained adamant, so the memorandum defining the British position, which Henderson handed over to Ambassador Sokolnikov on 6 January 1930, proposed concluding a temporary agreement with the definitive treaty deferred 'until 'the negotiations for the settlement of other matters... have made substantial progress'. Sokolnikov argued that such an arrangement would be 'undesirable' and would 'tend to impede the development of trade'; so Henderson suggested that the Russians get into direct contact with the Board of Trade (2).

The Soviet Government preferred a full commercial treaty on the lines of the 1924 Treaty (3), but the realisation that a refusal to agree to a temporary agreement 'would have created a serious conflict and would have stood in the way of a continuation of any negotiations' caused the Soviet

- 
1. Foreign Office Memorandum, 12 November 1929, N5221/18/38, FO 371/14034; Minute by Dalton, 24 December 1929, N6254/18/38, FO 371/14036; Board of Trade to Foreign Office, 1 January 1930, N28/28/38, FO 371/14844.
  2. D.B.F.P. II/VII, Doc.No.53.
  3. Ibid, Doc.Nos. 53, 55; D.V.P. Vol XII, Doc.Nos. 396, 398.

Government in their reply of 25 January to give reluctant agreement to the British proposal, while expressing the hope that a full treaty would be concluded at the earliest moment (1); <sup>t</sup>he Russians also rejected the idea of any interdependence between the commercial treaty and other questions.

On 3 February, having gained Cabinet approval, Henderson suggested to Sokolnikov the negotiations begin, using the Soviet draft for a modus vivendi as the basis, but with two reservations from the British side, concerning export credits and the Trade Delegation's status (2).

The Soviet side wanted to ensure that there would be no discrimination against export credits on political grounds, and William Graham, the President of the Board of Trade, was prepared, after consultation with the Export Credits Guarantee Department, to acquiesce in some limited formula to meet this requirement, but Philip Snowden, the Chancellor of Exchequer, strongly objected to any undertaking whatsoever referring to export credits being included in the

- 
1. Ibid, Vol XIII, Doc.No. 63; D.B.F.P. II/VII, Doc. Nos. 55, 58.
  2. Ibid, Doc.No. 60; Cabinet Conclusions, 29 January 1930, 5(30)1, CAB 23/63; Foreign Office minutes on Soviet Draft Agreement, 7 February 1930, N808/28/38, FO 371/14845.

agreement. The Cabinet initially tended towards Snowden's approach, but after further negotiation the Cabinet agreed to a protocol attached to the final Agreement in which Anglo-Soviet trade was given most-favoured-nation treatment as regards 'the granting of credits to facilitate such trade' (1).

The divergence between the two sides' negotiators over the second point, the status of the Soviet Trade Delegation, was such as to make it the focal point of the negotiations throughout the spring of 1930. Prior to the signature of the October 1929 Protocol the Cabinet had considered this matter and decided that diplomatic privileges should be granted only to the head of the Trade Delegation and, if absolutely necessary, to other persons, but not to the premises of the Trade Delegation (2). The Soviet side, on the other hand, clearly desired diplomatic privileges for all the members of the Delegation and their premises (3). As it became

- 
1. Memorandum by Graham, 4 March 1930, C.P. 77 (30), CAB 24/210; Cabinet Conclusions, 5 March, 13 (30)3, and 26 March, 17(30)1, both CAB 23/63; Seymour to Ovey, 7 March 1930, N1493/28/38, FO 371/14846; Cmd. 3552, 'Temporary Commercial Agreement, 16 April 1930', p.7.
  2. Cabinet Conclusions, 25 September 1929, 34(29)1, CAB 23/61. The Home Office opinion was that only very strict limitations would 'cramp the style of the Soviet representatives in their illegal work here'. Home Office to Foreign Office, 19 September 1929, N4218/2777/38, FO 371/14049.
  3. D.V.P. Vol XIII, Doc.No.19. In early March Litvinov told Ovey that it was 'the whole delegation we want to protect'. D.B.F.P. II/VII, Doc.No. 74.

200

apparent to Henderson that some modification of the Cabinet's original stand was necessary to prevent a breakdown in the whole negotiations, he obtained Cabinet authorisation for diplomatic <sup>i</sup>mmunity to be given to the whole premises of the Soviet Trade Delegation, provided that their offices were specifically delineated and used exclusively for commercial purposes (1). However, the Soviet side had to reduce their demands for the number of persons to be granted diplomatic immunity to the head of the Delegation and two deputies only (2).

With the formulas for these two contentious points settled, both Governments gave approval for the signature, which took place on 16 April 1930 (3), although a last minute objection by the South African Government, which did not wish to enter into any sort of relations with the Soviet Union, required Henderson to make a special declaration at the time of the signing

- 
1. Foreign Office Minute, 1 March 1930, N1512/63/38, FO 371/14857; Cabinet Conclusions, 5 March, 13(30)3, and 19 March 1930, 16(30)3, both CAB 23/63.
  2. Minute by Seymour, 12 March 1930, N1845/63/38, FO 371/14857. Initially the Soviet side requested diplomatic status for 8 or 9 officials. Soviet trade officials with formal diplomatic immunity in France, Italy and Germany were respectively none, five and ten.
  3. D.V.P. Vol XIII, Doc.No. 113; Cabinet Conclusions, 9 April 1930, 21(30)3, CAB 23/63.

- 200 -

exempting South Africa (and also the Irish Free State) from the provisions of the modus vivendi (1). Once again the difficulties of co-ordinating foreign policy where the Dominions were concerned were apparent.

Sokolnikov telegraphed back to Moscow that he considered the agreement 'completely satisfactory', and while on leave in Moscow in the summer of 1930 he adumbrated the advantages for the Soviet Union as being a definite legal status for the Trade Delegation, and the establishment of 'the principle of "nondiscrimination" in the trade relations between the U.S.S.R. and England and the financial operations connected therewith' (2). In practice, as the Depression deepened, feelings in favour of 'protectionism' grew in Western countries (including Britain), and the Soviet 'dumping' of certain goods in the West became a sensitive issue, the provision which accorded most-favoured-nation treatment to Soviet goods in the matter of British import prohibitions and restrictions was of crucial importance

- 
1. The South African objection was based on the Soviet Government's breach of the propaganda pledges. Minute by Charles Bateman, member of Northern Department, 5 April 1930, N2401/28/38, FO 371/14848. For the Irish objections see D.W. Harkness, The Restless Dominion, (London 1969) pp.173-174. The whole question of treaty negotiation was raised at the Imperial Conference in October 1930. Ibid, pp. 216-219.
  2. Eudin and Slusser, op.cit. Vol I, pp.283-284; D.V.P. Vol XIII, Doc.No.113.

in safeguarding the Russians' available market in Britain. The Soviet Government may have calculated also that the Agreement would exert an influence on other European powers, notably France, in encouraging them to make concessions in their economic relations with the Soviet Union; however, only Italy, in August 1930, moved to sign a commercial agreement (1).

The Soviet ability to exploit the most-favoured-nation clause (the monopoly of foreign trade gave the Soviet Union the ability to discriminate 'invisible', which Britain could not do) was not appreciated by the British side, who felt that they had gained most of the points to which they attached importance (2). Besides its political affect in acting to a certain extent as a stabilising influence in Anglo-Soviet relations, the main consideration for the Cabinet undoubtedly was that, by regularising the trade position, Anglo-Soviet trade might expand, particularly in the area of British exports. Although even within the Labour Cabinet fears were expressed that the Trade Delegation building 'might become the

- 
1. Ibid, Doc.No.279; Tanaka Tokichi, Japanese Ambassador in Moscow, to Shidehara Kijuro, Foreign Minister, 3 May 1930, J.F.M.A. file B.2.O.O.B/R 1, 'Eiso tsusho joyaku ikken'.
  2. Seymour to Ovey, 1 April 1930, N2144/28/38, FO 371/14847; D.B.F.P. II/VII, App.1.

headquarters of Bolshevik propaganda' (1), the Labour movement, and the Liberals, were convinced of the economic advantages that would pertain from the Agreement (2).

As a corollary to the Commercial Agreement, a Temporary Fisheries Agreement was signed on 22 May 1930 (3). After the rupture of relations in May 1927 there had been continual disputes over territorial waters and British Navy patrols had been introduced to protect the British trawlers (4). As the British side required only a temporary commercial agreement, so the Narkomindel, with authorisation from above (Politburo?), in turn asked for only a temporary fisheries agreement, but refused to accept any direct linkage between the two agreements, so that serious discussion of the drafts did not begin until mid-April. The agreement reduced another source of Anglo-Soviet friction, and had the advantage for the British side that British trawlers could now fish without fear of interruption between the disputed 3-mile and 12 mile limits (5).

- 
1. Cabinet Conclusions, 19 March 1930, 16(30)3, CAB 23/63.
  2. Cabinet Conclusions, 26 March 1930, 17(30)1, CAB 23/63.
  3. Cmd. 3583, 'Temporary Fisheries Agreement; 22 May 1930'.
  4. D.B.F.P. IA/V, Doc.Nos. 132, 137, 163, 170.
  5. Ibid. II/VII, Doc.Nos. 53, 55, 70, 76; D.V.P. Vol XIII, Doc.No.63; Minutes of Inter-departmental Meeting, 5 March 1930, N1499/5/38, FO 371/14834; Foreign Office Minute, 10 March 1930, N2036/28/38, FO 371/14847.



The focal point of controversy in 1924, the clauses of the General Treaty concerning debts, claims and a loan, once again proved impossible to solve easily. The leading figures in the Labour Cabinet and the officials of the departments concerned were agreed that this time the British Government could not guarantee any loan raised by the Soviet Government, and an announcement was made to that effect in the House of Commons on 5 November 1929 (1). This decision has been criticised by some historians as the root cause of all subsequent failure to solve the outstanding debts and claims issues (2), but it was a political necessity for the Labour Cabinet (with memories of 1924 still fresh) to make their position clear from the start, even if that were to prejudice the claims settlement.

The issue was further complicated by the British decision made at the insistence of Snowden, who over-ruled Henderson and the Foreign Office

- 
1. H.C.Deb. Vol 231, Col 899. Dalton claimed primary responsibility for this step, advocating it 'partly because, if we didn't make our position clear now, we might be embarrassed in the House later; partly, and even more, because, in my view, this was our cardinal error in 1924'. Dalton, op.cit. pp.232-233.
  2. Carlton, op.cit. p.156; Coates, op.cit. p.332; Fischer, op.cit. p.605.

- 204 -

officials' opinions and reversed a Cabinet decision of September 1929, that inter-governmental claims should not be put into 'cold storage' (1). When this was put to the Russians, the only acceptable solution was to appoint one main committee with several sub-committees, one of which would discuss inter-governmental debts and claims alone (2). The spring and summer of 1930 saw lengthy wrangling between the two sides over the composition, number and competence of the proposed sub-committees, and these disputed points were still not settled when the members of the Main Committee had their first meeting on 2 October 1930 (3). By comparison with the approach in 1924, Henderson's intention from the start was that 'the non-official character of the British committee should be preponderant' (hence representatives of industry, banks, bondholders and

- 
1. Cabinet Conclusions, 25 September 1929, 34(29)1, CAB 23/61; D.B.F.P. II/VII, Doc.No.21. The Treasury opinion changed in November 1929, to the surprise and annoyance of the Foreign Office. Treasury to Foreign Office, 16 November 1929, N5312/18/38, FO 371/14034; Minutes of an Inter-departmental Meeting, 31 January 1930, N635/28/38, FO 371/14845. In February 1930, Snowden went further in laying down that no agreement on private debts was to be ratified until an arrangement was concluded on inter-governmental debts. Minute by Seymour, 11 March 1930, N2036/28/38, FO 371/14847. Snowden's intransigence on other inter-governmental debts had been seen at the Hague Conference in August 1929. See Carlton, op.cit.p.33 ff.
  2. D.B.F.P. II/VII, Doc.Nos. 60, 70, 78; D.V.P. Vol XIII, Doc.Nos. 107, 110.
  3. A summary is D.B.F.P. II/VII, App. II(i).

205

other claimants), and the procedure was reversed so that the claims were to be calculated first and then a formula would be found for implementing this agreement (1).

To counter-act for this lack of progress during 1930, the Cabinet in mid-May 1930 endorsed the attitude of Snowden and Graham, who argued that the full commercial treaty negotiations should be held back as an inducement to the Russians to settle the debts question (2), and in July 1930 Dalton gave a public hint that if the Soviets were to show 'a disposition to make a commonsense settlement' then the City would surely give greater credit (3).

However, the Soviet side had achieved their main objective in obtaining a commercial agreement in writing, even if only 'temporary', and were not unduly concerned about the full treaty, while their approach to the debt question was the reverse of the

- 
1. Minute by Seymour, 5 October 1929, N4501/18/38, FO 371/14032. Litvinov wrote to Sokolnikov that since the calculation and examination of the claims would take a relatively long time, an early breakdown in the negotiations, embarrassing to both sides, could be avoided. D.V.P. Vol XIII, Doc.No.110.
  2. Snowden to Henderson, 2 May 1930, FO 800/281; Memorandum by Graham, 16 May 1930, C.P. 162(30), CAB 24/212; Cabinet Conclusions, 21 May 1930, 28(30)4, CAB 23/64; D.B.F.P. II/VII, Doc.No. 53.
  3. H.C.Deb. Vol 242, Col 403.

the British line, in that they argued that if the British granted credits first then some settlement might be arranged. This approach was clearly enunciated by Stalin in June 1930: 'On condition that we are given credits we agree to pay a small part of the pre-war debts, regarding them as additional interest on the credits. Without that condition, we cannot and must not pay' (1). During the following two years the British side were to give credits of increasingly greater length, for reasons largely unconnected with the debts issue; the Soviet side were to accept these without showing any greater disposition to settle.

Following on Stalin's article in November 1929 on the 'great change' whereby Soviet Russia would advance 'full steam ahead along the path of industrialisation to socialism', the winter of 1929-30 saw dramatic increases in the tempo of the Five Year Plan, as Stalin ordered upward amendments of the 1929-30 plan and instituted forced collectivisation, with its corollary of the liquidation of the kulaks (2). In the foreign trade sector, further increases in

- 
1. Pravda, 29 June 1930. See also D.B.F.P. II/VII, Doc.Nos. 70, 94; Financial Times, 18 July 1930.
  2. Nove, op.cit. pp. 161-166, 187-188; Stalin, Works, Vol 12, pp.124-141.

imports of machinery were planned (already in 1928-29 almost half of Soviet imports were machinery or related plant), to be financed by exports of mainly timber and oil and by further credits. Britain was considered to be a promising source for these credits, especially in view of the Labour Cabinet's well-known belief that the Russian trade could help significantly to solve the unemployment problems in Britain.

In the autumn of 1929, after the signing of the Protocol, the Soviet trading authorities re-activated their trade with Britain by placing orders to the tune of £3 million. In early January 1930 Mikoyan, the Commissar for Trade, told Ovey of the Soviet need of machinery of all kinds from Britain, and the arrival in March 1930 of Saul Bron, the Soviet Trade Representative, gave rise to talk of further large orders (1). Throughout the spring of 1930 Soviet diplomats and commercial officials were active in sounding out Labour Cabinet members on the question of longer credits for orders as well as trying to win back-bench support with appropriate public statements. Bron met Thomas and Sir Oswald Mosley, Chancellor of the Duchy of Lancaster until May 1930,

---

1. Degras, Soviet Documents, op.cit. Vol II, pp.432-434; D.B.F.P. II/VII, Doc.Nos. 52, 56; Manchester Guardian, 21 March 1930.

who both favoured longer credits, and MacDonald, who said that business circles 'usually warned against long credits', while Sokolnikov handed Henderson a list of orders totalling £15 million which the Soviet Government contemplated placing in Britain if satisfactory credits could be arranged. Some of these orders, for ships, envisaged credits for as long as five years (1).

The Cabinet were under pressure on this issue not only from the Russians but also from within the Labour movement. The Cabinet had agreed in mid-December 1929 that credits of a duration longer than 12 months would not be allowed (2), but even before that decision was taken a tripartite committee of Labour representatives had approached MacDonald arguing for the reintroduction of the Trade Facilities Act and the extension of long-term credits. The Treasury opposed the reintroduction of the Act as being

- 
1. D.V.P. Vol XIII, Doc.Nos. 48, 112, 168; Daily Herald, 21 May 1930; Note by Sir Horace Wilson, Chief Industrial Adviser to the British Government, 19 March 1930, file CIA/1453, B.T. 56/28.
  2. Cabinet Conclusions, 17 December 1929, 53(29)7, CAB 23/62.

- 209 -

'tantamount' to a loan to a Soviet organisation (1), and a small Cabinet committee, headed by Graham, was set up to explain the Cabinet's policy to the tripartite committee. After explaining that the Export Credits Guarantee Advisory Committee could not give undertakings in advance for orders that might never materialise, it was agreed to examine a 'test case' of steel orders (2). At the end of July 1930 the Cabinet agreed that the Advisory Committee could consider extending the period of credit from 12 to 18 months in the case of large orders; the Advisory Committee reluctantly agreed (3). The Cabinet, therefore, wanted to do extensive business with Soviet Russia from the employment point of view,

---

1. The tripartite committee consisted of representatives of the T.U.C. General Council, the Labour Party Executive, and the Parliamentary Labour Party. Departmental Report of Treasury, 10 February 1930, C.P. 55(30), CAB 24/210; Cabinet Conclusions, 26 February 1930, 12(30)4, CAB 23/63; Annual Report of the Labour Party, 1930.
2. Cabinet Conclusions, 26 March 1930, 17(30)6, CAB 23/63; Minutes of Meetings of Joint Committees, 8 April and 22 July 1930, CAB 27/416.
3. Memorandum by Export Credit Guarantee Department, 4 June 1930, file CIA/1453, B.T. 56/28; Report of Committee on Economic Consequences of Disarmament, 28 July 1930, C.P. 261(30), CAB 24/316; Cabinet Conclusions, 30 July 1930, 46(30)10b, CAB 23/64. One member of the Advisory Committee told Parliament two years later about 'the grave anxiety we felt about extending the credit beyond 12 months'. H.C.Deb. Vol 262, Cols 1328-1329.

- 210 -

but were a little wary of exerting too much political influence on the Advisory Committee and were uncertain how far the Russians were genuinely prepared to do business (1).

To the British officials, it was of paramount importance to be able to evaluate the progress of the Five Year Plan and its likely affect on the development of the Soviet economy and the future of Anglo-Soviet trade. Ovey and his staff in the Embassy in Moscow (augmented by the appointment of two commercial attaches in February 1930) endeavoured to fill this need. Ovey himself was an enthusiast of developing trade (2), but his early impressions on reaching Moscow were that although there were immediate prospects of increasing exports to the Soviet Union, the long-term prospects were not likely to be so good, particularly if Soviet self-sufficiency were indeed to be attained (3).

- 
1. The Chairman of the Advisory Committee, Colonel Peel, told Thomas that the Committee 'dealt with all the proposals on their business merits and that their judgement was not influenced by political considerations such as unemployment'. Note by Export Credits Guarantee Department, 4 June 1930, CIA/1453, B.T.56/28.
  2. Notes on Ovey's conversation with George Gillett, Parliamentary Secretary to Department of Overseas Trade, November 1929, in Gillett Papers, in the possession of Mr. E. Gillett.
  3. D.B.F.P. II/VII, Doc.No.52; Ovey to Henderson, 6 January 1930, N188/133/38, FO 371/14869.



However, when he considered the question again in June 1930, Ovey felt that Soviet demands for machinery had 'small likelihood' of being met for many years, and that even if the Soviet Union did become industrialised there would still be, as in the case of America, a demand for foreign goods (1).

During the spring and summer of 1930 the tempo of industrialisation continued to run high, but on the agricultural front the 'chaos, despair and coercion' caused by the forced collectivisation campaign led Stalin to call a temporary halt with his 'dizzy with success' article in March 1930. While foodstuffs were being rationed in the towns, in the country areas the peasants had reacted to the 'extraordinary measures' by slaughtering their livestock, which after a transitory abundance of meat, soon aggravated the food shortages. The Politburo were keen to resume exports of grain to obtain foreign currency to pay for the imports, so new procurement targets were drawn up for the 1930 harvest (2). During 1929-30 the terms of trade had deteriorated for the

- 
1. Ovey to Henderson, 2 June 1930, N3827/764/38, FO 371/14876. Dalton minuted: 'I think Sir E. Ovey's modified opinions, as set out in this despatch, are closer to reality than his earlier fears'. See also D.B.F.P. II/VII, Doc.No.93.
  2. Nove, op.cit. pp. 169-173; Stalin, Works, Vol 12, pp. 191-199.

212

Soviet Union, for, although the prices of machinery and equipment imports had declined, the prices of Soviet export goods such as timber and flax had declined even faster. Grain prices on the world market declined similarly, so that when the Soviet Union unexpectedly re-entered the world grain markets in the late summer of 1930 (during 1927-1929 Soviet grain exports had been minimal), only the export of excessive quantities could ensure adequate returns. This was to cause the 'dumping' controversy in the second half of 1930. In the early part of the summer, Ovey speculated that some dumping of Soviet grain might occur but that that eventuality depended on the harvest yields; the Northern Department did not seem so concerned, and a junior member minuted that there was not 'much fear of dumping for some time to come' (1). The disruption on the agricultural front led the Foreign Office to under-estimate the likelihood of dumping of grain (a reasonable assumption for a Western economy, but the Russians were prepared to 'force' grain out of the peasants for export).

---

1. D.B.F.P. II/VII, Doc.No. 83; Ovey to Henderson, 2 June 1930, N3827/764/38, FO 371/14876.

275

One concomitant of the new drive instigated by Stalin was the attacks on 'bourgeois specialists' (linked in part with the desire to discredit the Bukharinist line of co-operation with non-party specialists) and the concessionaires. In the late 1920s Soviet dissatisfaction with the operation of the concessions led to a gradual winding up of their activities, and the repercussions were to be felt by the largest British firm, Lena Goldfields (which in 1928 had produced 35% of all gold mined in the Soviet Union), when in mid-December 1929 its offices were raided by the O.G.P.U. and a number of Russian employees arrested. During the trial of these employees in the spring of 1930, British employees and the Company itself were implicated in charges of anti-Soviet activities, to which the Company responded by withdrawing their European employees and repudiating further responsibility for the working of the concession. A Court of Arbitration, meeting in Berlin, awarded the Lena Goldfields Company compensation of £13 million, to be paid by the Soviet Government. Owing to the lack of response from the Soviet side, the Foreign Office found themselves involved, from October 1930 onwards, in trying to persuade the Soviet side to pay the compensation; Narkomindel refused to accept that it was a diplomatic question, arguing that

it should be solved directly between the Company and the Soviet Chief Concessions Committee. The question was still unresolved when Henderson left office in August 1931 (1).

The Soviet objective was to speed up the liquidation of the various foreign concessions by frightening off the concessionaires, and the Soviet side remained as intransigent over the claim for compensation as they did over the whole claims question; as one historian has observed, the treatment of the Lena Goldfields Company became 'a minor but annoying episode that illustrated the lack of Soviet response to Henderson's genuine attempts to create goodwill' (2).

The frustrations and friction which bedevilled the resolution of the outstanding problems on the financial and economic level were paralleled by continuing altercations on the political level. Indeed, such were the difficulties that Ovey had to conclude at the end of February 1930 that 'our public relations with the Soviet Government are literally worse than

- 
1. Anthony Sutton, Western Technology and Soviet Economic Development, 1917-1930, (Stanford 1968) pp. 95-98. The summary in the present thesis is based on material in files FO 371/14867-14869, 15605-15606. For the legal aspects see B.A. Wortley, Expropriation in International Law, (Cambridge 1959) p.62.
  2. C. F. Brand, The British Labour Party, (London 1965) p.138.

they were before we resumed relations'(1).

Propaganda proved to be just as much a bugbear to the Labour Cabinet as it had been to the Conservatives. On 1 January 1930, the British Communist Party commenced publication of the Daily Worker, the first Communist daily paper in Britain, the very first edition of which contained a message of greetings from the Presidium of the E.C.C.I. (2). The Northern Department realised that this message was likely to become the starting point for Conservative enquiries after Parliament resumed sitting. Seymour commented: 'Its publication certainly is sailing v. near to the wind, but I believe our best course will be to take it as not amounting to a breach of the letter of the guarantee. In itself the article is poor stuff & really hardly deserves notice'; Oliphant endorsed this opinion (3).

Henderson, however, took a stronger line. He told Sokolnikov on 7 January that he regarded the message 'as a departure from the letter and the spirit of the recent undertaking, and as an action calculated

- 
1. D.B.F.P. II/VII, Doc.No. 68.
  2. For the birth of this paper see William Rust, Story of the "Daily Worker" (London 1949).
  3. Minutes on extract from Daily Worker, 1 January 1930, N33/33/38, FO 371/14852.

to impede that improvement in the relations between the two countries which the impending negotiations had as their object'. Sokolnikov replied that it was a purely Comintern matter, not an inter-governmental one (1). Henderson must have felt it necessary to set out Britain's position firmly from the very beginning, while at the same time pre-empting Conservative criticism.

After a brief discussion of the propaganda issue at a Cabinet meeting on 12 February, the British position was strongly put by Lord Parmoor, the Lord President of the Council, in a House of Lords' debate on 20 February. He re-emphasised that the Cabinet considered the Soviet Government were responsible for the Comintern's activities, a point from which 'there never will be any departure either in the form of reservation or limitation', and described the Daily Worker article as a 'technical breach' of the propaganda pledge, but not such as to justify breaking off relations, the step proposed by some Conservatives (2). When Ovey talked with Litvinov

- 
1. Henderson to Ovey, 7 January 1930, N110/33/38, FO 371/14852.
  2. H.L.Deb. Vol 76, Cols 639-678. Before the debate the Cabinet agreed that they 'would not hesitate to interfere in the event of Soviet propaganda in territory under the control of this country, but that they themselves must be the judge of what constituted propaganda'. Cabinet Conclusions, 12 February 1930, 10(30)2, CAB 23/63.

about this debate he gained the impression that the Russian was 'seriously perturbed' and 'extremely worried at the situation and the possibility of a rupture'; Ovey concluded that the Soviet Government 'have had a fright, and may perhaps proceed for some while at least with a little more caution' (1).

Henderson, however, was in a pessimistic mood about the state of relations when he telegraphed to Ovey on 26 February:

'I can claim to have done more than any other to bring about resumption of relations with the Soviet Government in the teeth of formidable opposition, and my desire to develop and improve those relations continues, nevertheless my difficulties have been immensely increased by reason of the fact that far from campaign of propaganda and abuse undergoing some diminution as a result of action of His Majesty's Government in exchanging Ambassadors, campaign would seem to all appearance to have been increased in intensity since exchange has taken place' (2).

Henderson's difficulties already had been compounded by a new issue, that of Soviet religious persecution, which aroused strong public reactions in Britain and other European countries. The direct attack launched on the Church in the early 1920s by

---

1. D.B.F.P. II/VII, Doc.Nos. 66, 67, 68; Ovey to Henderson, 28 February 1930, N1573/28/38, FO 371/14846.

2. D.B.F.P. II/VII, Doc.No.69.

the Soviet authorities had failed, but as part of the forced pace of industrialisation and collectivisation and the imposition of strict political controls, the vigorous attacks on the kulaks were carried over against priests of all denominations in late 1929 (1).

In Britain and other European countries Christians of all denominations protested against the religious persecution, and in Britain Conservative politicians and press subjected the Labour Government to a series of enquiries during the first months of 1930. As a result Henderson asked Ovey to examine the real situation as far as could be ascertained, and with this end in view Ovey saw Litvinov on 31 January 1930. Litvinov made it clear that any official representations about Soviet religious policy would be regarded as undue interference in the internal affairs of the Soviet Union, but he did offer to provide information on Soviet religious legislation (2).

On 9 February 1930 the Pope published an open letter in which he condemned the religious persecution inside Soviet Russia and announced his

- 
1. For the general background, see Walter Kolarz, Religion in the Soviet Union, (New York 1966). See also Scheffer, op.cit. pp.40-46.
  2. Popov, Diplomaticheskie Otnosheniya, op.cit. p.51; Ovey to Henderson, 31 January 1930, N630, N631/23/38, FO 371/14852.



intention of offering a Mass of expiation and intercession (1). In Britain a debate was held in the House of Lords, with the Archbishop of Canterbury leading the critics of Government inaction. Lord Parmoor replied that, while 'fundamentally opposed to any form of religious persecution' and having no intention 'to belittle the horrors in Russia', it was difficult either to obtain accurate information or to interfere in the internal affairs of another state (2).

However, the Government did receive some more comprehensive information when Ovey's report reached the Foreign Office on 3 March. Ovey's survey argued that although special legislation controlled religious observance and the anti-religious propaganda was intense, there was no evidence available to him of 'atrocities', there had 'been no return to the thumbscrew-and-rack period of religious persecution'. Ovey concentrated on the position of the Orthodox Church, but noted that there were a large number of

- 
1. Times, 10 February 1930. The Soviet response was an interview by the Metropolitan Sergius, head of the Russian Orthodox Church, who denied that there was any religious persecution. Inprecor, 20 February 1930. In Ovey's opinion, the staging of the interview showed that the Russians were 'definitely alarmed'. D.B.F.P. II/VII, Doc.No. 68.
  2. H.L. Deb. Vol 76, Cols 574-592.

Christian and non-Christian sects in the Soviet Union and that 'towards all these faiths, the attitude of the Soviet authorities is one and the same, viz., that they are all equally futile and reactionary; their priests and religious leaders are deprived of civil rights, and their communities are politically suspect'. Ovey concluded:

'I must repeat once again that we are here on very delicate ground ...that the present Government and its supporters are convinced that the material disadvantages of religious faith outweigh its spiritual consolations, that their policy is to secularise the thought of the people, that they unquestionably exert to this end a degree of pressure which offends our modern ideas of tolerance, but that they stop short on the fringe of persecution by violence ... and that any interference from abroad in what they regard as the internal affairs of the Soviet Union would not only be met with very general resentment, but might quite possibly tend to increase the hardships and sufferings of that very class of people whose lot it was intended to alleviate' (1).

Prior to the arrival of Ovey's report, the Cabinet had had an open mind on the question of possible publication of the report, but after reading it both Henderson and Dalton favoured publication, as they felt that it would to a certain extent deflate the campaign in Britain. However, Vansittart, the newly-appointed

---

1. Ovey to Henderson, 24 February 1930, N1390/23/38, FO 371/14842.

Permanent Under-Secretary of State, strongly opposed publication as it would 'set a very bad precedent, and would make Ovey's position in Moscow almost untenable'; Ovey himself opposed publication on similar grounds. These arguments convinced Henderson and the Cabinet against publication (1).

Henderson therefore resisted Conservative back-bench pressure in Parliament to publish this report, and, although the Labour Government's decision to allow no member of the British Services to be compulsorily paraded at the church services on 19 March when intercessionary prayers were to be said for the 'persecuted peoples of Russia' provoked controversy (2), in the late spring the campaign began to die down. At a final debate on the subject in the Lords on 2 April, the Archbishop of Canterbury detailed instances of cruelty and persecution in the Soviet treatment of believers, but the Government spokesmen rejected the idea of protests being made to Moscow (3).

- 
1. Cabinet Conclusions, 19 February, 11(30)3, and 5 March 1930, 13(30)2, both CAB 23/63; Ovey to Henderson, 1 March 1930, included in C.P.74(30), CAB 24/210: Dalton Diaries, 3 March 1930. Dalton described it as 'a first-class document, blowing up all the atrocity stories, but allowing that priests, like kulaks, have a thin time'.
  2. Coates, op.cit. pp.344-345; Cabinet Conclusions, 12 March 1930, 15(30)5, CAB 23/63; Henderson to Ovey, 13 March 1930, N1649/23/38, FO 371/14843.
  3. H.L.Deb. Vol176, Cols 1131-1181; Popov, Diplomaticheskoe Otnosheniya, op.cit.p.59. Ovey thought the Archbishop's account represented a 'fair picture'. Ovey to Henderson, 19 May 1930, N3470/23/38, FO 371/14843. In August 1930 the White Paper on Soviet religious legislation was published as Cmd. 3641.

A recent Soviet commentary asserts that 'the English Labour Government's evasive position in regard to the developing campaign, including sometimes even direct support, helped it to become more active' (1). The Labour Cabinet (as indeed were the German Government) were caught in a dilemma which resulted in a rather ambivalent attitude. As Henderson explained to Ovey, the Cabinet did 'not accept much of what passes for evidence of religious persecution', but they did not want to dissociate themselves from the view that the Soviet Government 'in striving to secure the universal acceptance of beliefs which they have every right to hold and propagate, employ methods of discrimination which British and other opinion regard as substantially unjust' (2). Sensitive to being accused of interference in Soviet internal affairs, the Cabinet relied on hints to the Russians about the strength of feeling amongst public opinion and tried to prevent adverse repercussions on relations in general (3).

- 
1. D.V.P. Vol XIII, note 22. See also Popov, Diplomatichesk  
Otnosheniya, op.cit. p.56.
  2. Henderson to Ovey, 11 April 1930, N2238/23/38,  
FO 371/14843.
  3. After 1917 British policy had been to avoid official  
representations over Soviet religious questions,  
with the notable exception of the firm protests in  
1923.

The Soviet Government depicted the movement as part of a world-wide conspiracy, particularly as the protest movements in both Britain and Germany were very vocal. Soviet diplomats worked during the spring of 1930 to counter any united capitalist action (1), but of more significance in the dampening down of the protest campaign by the summer of 1930 was the change in Soviet policy, for Stalin's temporary halt to the collectivisation campaign was complemented by the virtual admission of failure in the new anti-religious campaign in the Central Committee's decree of 14 March 1930 and the substitution of the indirect for the direct method of attack on religion (2).

As the issue of religious persecution died down, the Labour Cabinet found themselves once again having to consider action over propaganda. Consistent with the line introduced at the Sixth Comintern Congress, the Comintern organs and the British Communist Party continued to criticise the Labour Government's

- 
1. Popov, Diplomaticheskie Otnosheniya, op.cit. p.59; D.B.F.P. II/VII, Doc.Nos. 66, 77; D.V.P. Vol XIII, Doc.No.84. For the German situation, see Dyck, op.cit. pp. 162-174, 191-195.
  2. Schapiro, op.cit. p.477. Ovey hoped that the Soviet pronouncements would result in 'at least temporary alleviation of the situation, both as regards the faithful and the peasants'. Ovey to Henderson, 19 May 1930, N3470/22/38, FO 371/14843.

policies, with which the workers were said to be increasingly disillusioned. To the Enlarged Presidium of E.C.C.I., meeting in February 1930, this meant favourable conditions for the growth of the British Communist Party into a mass party (1). In reality, the Daily Worker's circulation was small, the Party's membership continued to fall, and Labour leaders were scathing about its effectiveness (2). At the Sixteenth Party Congress in July 1930, Molotov had to admit that the difficulties of the British Party had still not been solved and that it was weak and out of touch with the masses (3).

While Henderson and the Cabinet were contemptuous of the Comintern pronouncements and activities in Britain, Comintern activities in India continued to be subjected to careful examination. Communal tension revived in mid-March 1930, when Mahatma Gandhi inaugurated the civil disobedience campaign through his march to the sea to take salt illegally. By May it was clear to the British and Indian authorities that this movement was 'a formidable menace to constituted Government', but it was not a

- 
1. Eudin and Slusser, op.cit. Vol I, pp.246-247; Degras, Comintern, op.cit. Vol III, p.100.
  2. H.C.Deb. Vol 238, Col 939; H.L.Deb. Vol 76, Col 761, Vol 79, Col 125. In the spring of 1930 the Labour Party proscribed several communist-controlled organisations such as the League Against Imperialism.
  3. Eudin and Slusser, op.cit. Vol I, p.63.

communist-inspired movement (1). Indeed, the Comintern continued to criticise the Indian nationalist movement and Gandhi himself (2).

Although these Comintern pronouncements were out of touch with Indian realities, statements such as the article published in the Daily Worker, on 8 May, congratulating an Indian regiment on having mutinied and urging British regiments to do the same, touched British sensitivities. The Northern Department officials agreed that because of the increasing vituperation of the articles, the previous policy of treating with contempt should be abandoned in favour of prosecuting the Daily Worker. Senior officials agreed, although Vansittart and Dalton added the rider that 'a prosecution should only be undertaken if we are sure of conviction' (3). However, MacDonald, haunted by visions of a repetition of the Campbell Case, was reluctant to embark on prosecution; the final decision was left to the Attorney-General, Sir William Jowitt, who evidently on further legal advice decided against prosecution (4).

- 
1. Brown, op.cit. pp. 80-152; Saha, op.cit. pp.156-157.
  2. Donaldson, op.cit. pp. 41-42; Imam, op.cit. pp.303-308.
  3. Foreign Office Minute, 9 May 1930, N3178/33/38, FO 371/14854; Dalton Diaries, 12 May 1930.
  4. Ibid, 12 and 19 May 1930. Jowitt sat in on the Cabinet discussions on 21 May, but the Cabinet records make no mention of a prosecution.

- 280 -

On his return from Geneva, Henderson saw Sokolnikov and impressed on him the graveness of the situation, referring to the Daily Worker articles and to 'circumstantial reports' that Soviet officials, not necessarily in Britain, might be involved in activities of an 'indefensible character'. Sokolnikov protested the innocence of his officials, but Henderson warned him that investigations might have to be made (1); he then suggested at the Cabinet meeting the following day, 21 May, that the available evidence be examined to determine the extent and nature of the Soviet propaganda activities. A special Cabinet committee was set up under Lord Sankey, the Lord Chancellor (2). Copies of the wide-ranging secret material submitted to the committee are not available, but the general nature can be deduced from contemporaneous departmental papers and from the brief final report of the Cabinet committee.

- 
1. Henderson to Ovey, 20 May 1930, N3513/33/38, FO 371/14854.
  2. Cabinet Conclusions, 21 May 1930, 28(30)1, CAB 23/64; Sankey Papers, held in the Bodleian Library, Oxford, e.284, Diary entry, 21 May 1930. An 'influential Labour politician' told Sokolnikov that the Cabinet forced Henderson, who strongly objected, to set up the enquiry. D.V.P. Vol XIII, Doc.No. 381. However, when seeing Sokolnikov the day before the Cabinet meeting, Henderson had hinted about an enquiry.



A Home Office report at the end of May 1930 on the internal security aspects of national defence was cautiously confident that, whatever attempts were being made by communist and seditious elements to aggravate strikes and other industrial disputes, these efforts were relatively ineffective, with a 'remote' chance of success (1).

It was the propaganda in the Empire that, as earlier, proved the area of greatest concern. A Foreign Office minute early in June 1930 noted the growth in communist press articles denouncing British actions in India during the unrest there, but stated that no evidence was available to directly link Moscow with the disturbances (2). An India Office report in June highlighted the Meerut Trial as being responsible for completely disorganising the communist movement inside India. However, although 'the actual communist movement is for the moment at a discount, it would be unsafe to underestimate the importance of the propaganda which is being disseminated' through organisations such as the British Communist Party and the League Against

- 
1. Home Office Memorandum, 30 May 1930, C.I.D. 1008-B, CAB 4/20. Clynes had told the Commons that he did not consider communist leaflets to be a danger to the public interest. H.C.Deb. Vol 238, Cols 1035-1036.
  2. Foreign Office Minute, 4 June 1930, N3870/28/38, FO 371/14850.

Imperialism (1). Another Cabinet committee which had been set up in April 1930 to examine the specific question of Indian unrest also endorsed the general opinion that the disturbances had been initiated and carried out by the Indian National Congress, which was itself increasingly vilified by the communists (2).

More damning than the evidence of the Comintern's propaganda inside India seems to have been information supplied by the British secret service of breaches of the propaganda pledge by Soviet officials. The committee saw a 'photographic copy of a letter signed by a Soviet official' and 'a considerable number of typewritten copies, made by agents, of instructions for propaganda issued by the Comintern or an affiliated body and transmitted by Soviet officials to their destination'; senior departmental

- 
1. India Office Report, June 1930, N3392/132/38, FO 371/6325. This report, based on secret information and forwarded to the Foreign Office for their information only in May 1932, may have formed part of the India Office's submission to the Cabinet committee.
  2. Defence of India Sub-Committee, 'Indian Unrest', papers in Air Ministry file AIR 8/122. MacDonald minuted on one memorandum that Bolshevik propaganda in the East was 'surprisingly subtle'. MacDonald Papers, held in the Public Record Office, London, Minute by MacDonald, 2 September 1930, PRO 30/69/1/266.

officials were called in to judge their authenticity (1).

On the basis of this secret information, the Cabinet committee concluded in their report on 20 October 1930 that 'the Soviet Government has not fulfilled the terms of its obligation', but did not recommend any action such as a rupture of relations but rather a 'remonstrance' by Henderson to the Ambassador. The Cabinet endorsed this recommendation (2).

The investigation had continued throughout the summer, and by October Henderson felt that, since the agitation in Parliament and the press had died down, it might be preferable to leave matters as they were, but the Foreign Office officials pointed out that with the resumption of Parliament questions were bound to be asked. Vansittart supported the opinion of the other senior officials that any action should be in the form of a verbal representation but without giving any evidence (3). In contrast with the protests of 1923 and 1927, both Foreign Office officials and the Cabinet were opposed to the use of the secret information in support of the British case.

- 
1. Cabinet Committee Report, 20 October 1930, C.P.349(30), CAB 24/215.
  2. Ibid; Cabinet Conclusions, 28 October 1930, 64(30)1, CAB 23/65.
  3. Minutes by Seymour, Oliphant, Vansittart and Selby, 24-27 October 1930, N7437/33/38, FO 371/14855.

With the use of this secret material excluded, Henderson's representations to Sokolnikov on 29 October centred on the Comintern's activities (in particular in India as Henderson hinted), and the varying interpretations placed on the propaganda pledge by the two Governments. Henderson stated that a continuation of propaganda 'could not but endanger the good relations', but Sokolnikov reiterated the Soviet Government's divorce from the Comintern (1). Both sides in effect agreed to differ, and Henderson admitted this to the House of Commons later the same day (2). The following week Litvinov told Julius Curtius, the German Foreign Minister, that Henderson had 'only spoken formally to the Russian Ambassador in order to reassure his public opinion' (3); the Russians did not anticipate any further action from the British side.

---

1. D.V.P. Vol XIII, Doc.Nos. 374, 381; Henderson to Ovey, 6 November 1930, N7605/33/38, FO 371/14855.
2. H.C.Deb. Vol 244, Cols 37-38. The Soviet interpretation was strongly affirmed in an editorial in Izvestiya, 3 November 1930.
3. Memorandum by Curtius, 3 November 1930, G.F.M. Archives, Serial 2860/D561876-82. According to Litvinov, Henderson said that he had 'no cause for real complaint', but this is not substantiated by the records by Henderson and Sokolnikov.

101

In the early summer of 1930, as the propaganda issue once more came to the fore, another issue began to be raised by Conservative back-benchers. The question of forced or slave labour in the Soviet timber industry was, like the religious persecution problem, to place the Labour Government in an awkward position in their relations with the Soviet Government. During the first half of 1930, various groups in Britain and the Dominions, notably Canada, began to protest against the Soviet dumping of raw materials, of which timber was the major item (not until the late summer did the Soviets start to export grain in large quantities). In 1930 imports of timber from the Soviet Union were to form 25% of all British timber imports (see Appendix Four of this thesis); the Canadians opposed mainly the price of these imports, whereas the British opposition movement turned more on the conditions under which the timber was produced.

One of the basic tenets of the drive for collectivisation in the winter of 1929-30 was the liquidation of the rich peasants, the kulaks (although by implication the term 'kulak' came to mean any peasant who tried to evade the procurements), if necessary by deportation to distant regions of Soviet Russia and incarceration in labour camps. At the same time, Soviet planning agencies received orders to use the inmates of the corrective labour camps for certain

232

projects in inhospitable areas, such as timber production in the far north. During the spring and summer of 1930 a few fugitives escaped abroad and their stories of conditions provoked a press campaign in Britain and other Western countries (1).

With questions being asked in Parliament in April and May 1930, the Foreign Office appreciated that a situation similar to that regarding religious persecution could arise, namely a demand for publication of reports from Ovey. At Henderson's request, Ovey did submit a report on 10 June regarding the labour situation, including details of Soviet labour legislation. Ovey pointed out that 'compulsory labour' existed as regards 'prisoners and transportees, and in certain cases of national emergency', but 'it is theoretically never unpaid'; he did not think that 'slavery' existed. He concluded that since he was in no position to investigate individual cases of abuse it was difficult to give a more comprehensive assessment (2). No further action was taken by the Foreign Office officials, who decided to wait out the opposition. In July 1930, Snowden informed the Commons

- 
1. For the background see David Dallin and Boris Nicolaevsky, Forced Labour in the Soviet Union, (London 1948) pp.149-190; Robert Conquest, The Great Terror, (London 1971 - Penguin Rev.ed.), pp.453-454; Coates, op.cit. pp.362-364.
  2. Seymour to Ovey, 24 May, N3414, and Ovey to Henderson, 10 June 1930, N4022/1459/38, both FO 371/14879.

that the Foreign Prison-made Goods Act could not be invoked for the purpose of prohibiting Russian timber imports unless definite evidence existed that any particular consignment had been partially or wholly made under prison conditions (1). The campaign abated slightly during the autumn, but was to be revived during the winter of 1930-31.

In this way, the continuing bugbear of propaganda and 'new' issues such as religious persecution and forced labour clouded political relations and hampered Henderson's attempts to improve the general relationship, particularly on the economic level.

The first half of 1930 saw a general deterioration in the relations of the major European powers with the Soviet Union, particularly in the case of France and Germany. A long editorial in *Izvestiya*, on 1 May 1930, outlined the numerous instances of the aggressive plans of the capitalist countries for 'future anti-Soviet action' (2). This theme continued to be displayed in Soviet pronouncements, but it was increasingly apparent to outside observers that it was being used only for internal purposes, to promote greater dedication to the economic reconstruction.

---

1. H.C.Deb. Vol 241, Col 1913.

2. Eudin and Slusser, op.cit. Vol I, pp.41-42.

251

At the Sixteenth Party Congress in June 1930, Stalin explained Soviet foreign policy as one of 'peace and the strengthening of trading relations with all countries'. He said that the mere absence of war was not enough for Soviet reconstruction, for economic ties with other countries were still needed. The keynote of his speech was as follows: 'We do not want a single foot of foreign territory. But we will not give up a single inch of our territory either, to anyone' (1). Voroshilov also addressed the Congress, linking the acceleration in the tempo of industrialisation with the need to guarantee the defence of the Soviet Union (2). The Foreign Office seem to have accepted that the Soviet Union was not likely to desire anything other than peace for the purposes of carrying on the economic reconstruction. In May 1930, in the first of his 'Old Adam' memoranda, Vansittart concluded that 'the Five Year Plan, and all that depends upon it, is likely to act as a brake so far as external adventures are concerned' (3).

Despite the bitter condemnation of the capitalist countries expressed by the Soviet press and the Comintern, it was necessary for the Soviet Union to maintain economic and diplomatic relations with

- 
1. Degras, Soviet Documents, op.cit. Vol II, pp.260-264.
  2. Eudin and Slusser, op.cit. Vol I, pp.284-288.
  3. D.B.F.P. IA/VII, App.



these same powers. Commenting on Litvinov's appointment as Foreign Commissar in July 1930, Izvestiya pointed out that the Five Year Plan was neither a preparation for war nor a reflection of Soviet isolationism, adding: 'We are striving to make our country economically strong and independent. But the independence of even the strongest governments in the economic sense does not mean that they are not in need of economic connections with other countries'(1).

Litvinov informed press correspondents that his appointment to succeed Chicherin did not imply any change in Soviet foreign policy because for ten years he had been a close associate of Chicherin and because Soviet foreign policy, determined by the will of the masses, was not subject to fluctuations (2). Of more relevance was the fact that Stalin and the Politburo's control over the major decision-making processes ensured a continuity in the diplomatic arm. Chicherin, dogged by ill-health, had returned from his convalescence abroad in January 1930, but he did not

---

1. Eudin and Slusser, op.cit. Vol I, pp.41-42.

2. Degras, Soviet Documents, op.cit. Vol II, pp. 449-451; D.B.F.P. II/VII, Doc.No. 92.

resume active work (1), and Litvinov's appointment only made official the unofficial practice of the previous year. Litvinov, temperamentally different to Chicherin, was evidently more in tune with Stalin's ideas on foreign policy. However, the role of the Narkomindel in the Soviet foreign policy structure did not alter significantly, and Litvinov, like Chicherin, continued to act as an executor of Stalin and the Politburo's decisions on the major issues. Litvinov, who had an English wife, was thought by Dirksen, the German Ambassador in Moscow, to be more pro-British than Chicherin (2).

Polish and British diplomats in Moscow had interpreted Stalin's 'dizzy with success' article as a sign of Stalin's loss of influence at the top (3).

- 
1. S.V.Zarnitskii and A. Sergeev, Chicherin, (Moscow 1966) p.249 ff. The Foreign Office were surprised at Litvinov's appointment because, since the autumn of 1929, they had considered his position as rather insecure. Sir George Clerk, Ambassador at Angora, to Henderson, 3 November 1929, N5149/280/38, FO 371/14041; Ovey to Henderson, 19 April 1930, N2720/75/38, FO 371/14860; Ovey to Henderson, 22 July 1930, N5159/75/38, FO 371/14862; D.B.F.P. II/VII, Doc.Nos. 91, 92.
  2. Herbert von Dirksen, Moscow, Tokyo, London, (Oklahoma 1952) p.80. Dalton, on the other hand, felt that Litvinov 'bears a grudge against this country for turning him out with little justification, during the war'. Minute on Clerk to Henderson, N5149/280/38, FO 371/14041.
  3. Ovey to Henderson, 15 April 1930, N2566/75/38, FO 371/14860.

However, the Sixteenth Party Congress gave the lie to this belief, as Tomsky was removed from the Politburo (Bukharin had already been removed in November 1929) and three Stalinists were elected. After a brief respite, Rykov was removed in December 1930 and replaced as Chairman of the Council of People's Commissars by Molotov (1). The evidence from the Foreign Office files is that despite the presence of the Embassy staff in Moscow the inner workings of the Soviet hierarchy, such as Stalin's position and Litvinov's standing, were relatively obscured from accurate assessment by outside observers.

Like their Soviet counterparts, the British Government were forced to devote most of their attention to internal problems. The shock waves of the collapse of the American economy were making themselves felt in Britain. During 1930 the unemployment figures progressively worsened, reaching 1,912,000 in June and 2,500,000 in December 1930. The most marked symptoms of the depression were to be found in the indicators relating to foreign trade, as world commodity prices collapsed and the British export value and volume decreased. The severe world-wide trade

---

1. Cohen, op.cit. pp. 347-352.

- 298 -

depression was therefore superimposed on Britain's 'special national difficulties'. The Government believed that only a trade revival could 'mop up' the unemployment, but the Labour Party was split over economic policy (as seen from Mosley's resignation and the arguments at the Labour Party Conference in October 1930). In turn, hopes that the Soviet market might prove part of the solution increased (1).

Although the Conservative Party in 1930 was 'divided, disgruntled and confused', relations with Soviet Russia was one issue on which it could be relied to reunite. In the year after the signing of the October Protocol it was the prompting of Conservative back-benchers which brought issues such as religious persecution and forced labour (and also dumping later) into prominence. While concerned on humanitarian grounds about the conditions inside the Soviet Union, the Cabinet in practice took elaborate care to try not to 'offend Soviet susceptibilities', since they feared repercussions on the development of relations and possibly a rupture from the Soviet side (2),

- 
1. Marquand, op.cit. pp. 518-570. The Russians felt that the growing unemployment would make the Cabinet more active in seeking orders. D.V.P. Vol XIII, Doc.No. 361.
  2. Memorandum by Henderson, 3 March 1930, C.P. 74(30), CAB 24/210.

by avoiding any action which could be interpreted as interfering in the internal affairs of the Soviet Union. On the propaganda issue, Henderson took a firm line initially, but the constant repetition of Soviet breaches of the propaganda obligations and British representations became the norm (1).

Henderson's efforts to 'persuade' the Russians that their policies were endangering Anglo-Soviet relations and placing him in an awkward political position elicited little response. Always mindful of the 1924 precedents, the Cabinet were not in general prepared to risk their political survival on the issue of Soviet Russia. A comment by Dalton, although specifically referring to the religious persecution issue, has a more general application: 'In the last resort, he (Henderson) and I agree, we may have to choose between sending Sokolnikoff away or seeing the Government go down. If that wretched choice comes, we shan't willingly choose the latter'(2).

The signature of the Temporary Commercial and Fisheries Agreements represented an improved relationship, but the difficulties over debts and

- 
1. Passfield told the Russians that the Labour Cabinet's attitude towards propaganda was not so different from the Conservative Cabinet's. Popov, Diplomatic Otnosheniya, op.cit. p.35.
  2. Dalton Diaries, 18 February 1930.

claims negotiations and the Soviet insistence on credits before any significant increase in orders could be placed meant that, as far as the British were concerned, the moderate advances on the economic level did not adequately compensate for the continued difficulties on the political level.

The Soviet side looked to exploit the British market as protectionist sentiment grew in the West and the Depression deepened. Relations with France began to deteriorate, and the French pre-dominancy in the political action of the Pan-Europe plan and the economic anti-dumping action made Britain, along with Germany, seem to the Russians as constituting a break in the capitalist ranks. Despite the publicly-expressed suspicions of the Labour Government (1), the Soviet Government must have felt greater confidence than previously vis-a-vis Britain and, having obtained the main treaty requirements, they displayed no real inclination to settle the other outstanding questions.

- 
1. The Comintern line dictated criticism of the Labour leadership, but Kalinin also explained to Ovey that 'the Bolsheviks naturally disliked most those people whose policy was nearer to theirs than that of the reactionaries and therefore more dangerous'. D.B.F.P. II/VII, Doc.No. 49.

An apt comment on the state of the relationship was that of Lazar Kaganovich, a candidate member of the Politburo, in June 1930: 'At present our relations with England are, I would not say flourishing, but they are not at any rate as strained as they were' (1).

---

1. Eudin and Slusser, op.cit. Vol I, p.269.

## CHAPTER EIGHT: DISILLUSIONMENT

During the second half of 1930 the issue of Soviet dumping, through both its economic and political ramifications, dominated the Soviet Union's relations with the West. Partially as a result of the excellent harvest of 1930 and partially as a result of the intensification of the 'forcing' of exports, the Soviet economic planners were able to override market forces and domestic shortages and to shift resources to the higher priority sectors such as foreign trade (1). With apparent disregard for either selling price abroad or scarcity at home, the Russians expanded their grain exports; this in turn further depressed prices on the world market, since the surpluses of all the major grain-producing countries had already provoked a slump in prices.

The re-emergence of Russian wheat on the British market provoked criticism from politicians and businessmen concerned about the price and volume of these imports. In the light of this domestic interest, in mid-October 1930 William Strang, the acting Charge d'Affaires in Moscow, sent a long despatch

---

1. Dohan, op.cit. pp. 612-613.



in which he analysed the Soviet grain exporting policy. He noted that the fall in world prices of raw materials, coupled with a reduction in the amount of non-cereal foodstuffs available for export and a short-fall in timber production, made it 'all the more vital to develop grain export to the highest possible point'. He concluded that 'the action of the Soviet Government, whatever its results, was dictated by economic necessity, and the present situation is explicable by that hypothesis alone'. This despatch served to confirm the general view already formed in the Foreign Office that 'in this case at least, the Soviet Government "dumps" because they must, merely to secure foreign currency, and without any deep laid plans for the future' (1).

The Soviet Government denied the accusations of dumping in Britain and Europe; Ambassador Sokolnikov told a British newspaper correspondent in November 1930 that Soviet Russia was not dumping 'simply re-establishing her exports of agricultural produce' which in turn made it possible to import machinery (2).

- 
1. Strang to Henderson, 14 October 1930, N7181/6924/38, FO 371/14886. See also D.B.F.P. II/VII, Doc.No. 94. The German Government too concluded that Soviet dumping was only a means to earn foreign currency. Dyck, op.cit. p.221.
  2. Manchester Guardian, 21 November 1930. See also Daily Herald, 23 October 1930.

304

However, in the case of Britain, the Cabinet had no inclination to take any action against the Soviet dumping of grain. As Graham explained to one Conservative questioner: 'The only way in which we can take action is by tariffs, prohibition and licences. We are perfectly satisfied that the loss to our trade from any action of that kind would be greater than any gain' (1). Not only were the majority of the Cabinet, led by Snowden and Graham, deeply wedded to the philosophy of Free Trade (in September 1930 the Cabinet had decided to ratify a convention signed at Geneva in February 1930 by which eleven countries committed themselves not to increase their tariffs until April 1931), but also the terms of the Temporary Commercial Agreement signed in April 1930 precluded Britain from discriminating against Russian goods, whether by duties, licences or prohibitions; moreover the agreement could only be denounced at six months notice, with the consequent risk of forestalling and of Soviet retaliatory action against British exports.

In Parliament throughout the autumn and winter of 1930 Conservative politicians continued to

---

1. H.C.Deb. Vol 244, Col 636.

press for some action against the Soviet dumping, demands supported by the interested business-circles inside Britain, but strong pressure was also brought to bear on the Labour Cabinet by the Dominions, notably Canada, which felt that Soviet raw materials were seriously undercutting their own products on the British market. The Imperial Conference held in London in October 1930, provided the scene for a clash over this issue between Richard Bennett, the new Canadian Prime Minister, and the British delegation, headed by Snowden.

In the 1920s Imperial trade still followed the general patterns of nineteenth century trading, whereby Britain was a large importer of food and raw materials, and Empire products competed with foreign products on equal terms in the British market (1). With the depression in world trade, the Dominions' dissatisfaction with this situation increased; Bennett, who had been elected on a largely protectionist platform, led the demands at the Imperial Conference for preferential concessions, which basically meant a 10% increase in duties on all goods imported from outside the Empire.

---

1. See Ian M. Drummond, British Economic Policy and the Empire, 1919-1939, (London 1972) pp. 17-25 and passim.

However, it was clear from a meeting of the heads of the delegations on 9 October 1930 that one of Bennett's major concerns was the dumping of Soviet wheat and barley (Russian wheat was hard wheat similar to Canadian wheat) (1). Snowden sympathised with the aim of increasing Imperial trade, but considered that stories of Soviet dumping of wheat were 'grossly exaggerated' and opposed tariffs as a means of stimulating trade. However, the meeting agreed to set up a small sub-committee to examine the questions of wheat and Soviet dumping (2). On 13 October the heads of the delegations returned to the subject, but Graham rejected Canadian demands for action against Soviet wheat on the grounds that the quantities were not as large as had been suggested and that discrimination 'would invoke a rupture of the commercial relations with Russia' and merely send Soviet wheat to markets elsewhere (3). The special sub-committee's report, produced only after considerable argument, noted the concern of the Dominions about Soviet wheat but contained no definite recommendations; the heads of the delegations

- 
1. Ernest Watkins, R.B. Bennett, (London 1963), p.150, while highlighting the difficulties of the Canadians in trying to obtain preferences from the Free Trade Labour Cabinet, notes timber as the keypoint of Canadian opposition. However, Canadian and British documentary sources show that wheat was the focus of Canadian attention.
  2. D.Can.E.R. Vol 4, Doc.No. 175.
  3. Ibid. Doc.No.176.

meeting on 13 November could only agree to 'receive' this report, rather than 'accept' it (1). With other inter-Imperial economic problems also unsolved, it was agreed,,at Bennett's suggestion,to reconvene the following year at Ottawa for a specifically economic Imperial Conference (although the British financial crisis caused its postponement until 1932).

Therefore, the British delegation had resisted the pressure of the Dominions on this issue. In mid-December 1930, Graham raised the whole question with the Cabinet, reviewing the evidence regarding imports of not only wheat but also timber, cotton goods and furs from Soviet Russia. He noted that with the exception of wheat and timber 'no substantial imports' had taken place, that 'with regard to price, definite and reliable information is difficult to obtain', and concluded that he did not propose 'to take any powers to prohibit or restrict the importation of goods into this country on the grounds of the prices at which they are offered'. The Cabinet endorsed his line (2).

- 
1. Report of Committee on Economic Co-operation, 5 November 1930, E.E.(30) 62, and Minutes of Meeting of Heads of Delegations, 13 November 1930, P.M.(30)28, both CAB 32/99; D.Can.E.R. Vol 4, Doc.No.193.
  2. Memorandum by Graham, 9 December 1930, C.P.416(30) CAB 24/217; Cabinet Conclusions, 17 December 1930, 73(30)9, CAB 23/65.

Throughout the winter and spring of 1930-31, this line was maintained in response to Conservative questions. In the spring of 1931 the Cabinet was split over the general application of a wheat quota, with deadlock as the result (1), and the specific question of Soviet dumping was referred to a Cabinet Committee which was surveying the trade position. At the end of May 1931, Graham submitted to this sub-committee a further review on imports from the Soviet Union in which he reached similar conclusions to his earlier memorandum, namely the disadvantages outweighed the advantages of abrogating the April 1930 Agreement and taking action against Soviet goods. Due to the illnesses of leading members and then the financial crisis, this review was considered by neither the Cabinet sub-committee nor the full Cabinet (2), but it seems probable that the majority of Cabinet opinion would have endorsed these conclusions.

Bennett and his Cabinet, forced reluctantly to accept that neither Britain nor even the United States was prepared to impose an unlimited embargo on Soviet products, made the decision for unilateral action. In February 1931, an Order-in-Council was

- 
1. Marquand, op.cit. p.596.
  2. Minutes of Meetings of Trade Survey Committee, 15 May and 21 July 1931, both CAB 27/451; Note by Graham, 27 May 1931, T.S.C.(31)6, CAB 27/451.

passed, prohibiting all imports of coal, timber and furs from the Soviet Union (1). This policy followed the line of several other countries, led by France, which had introduced special restrictions on Soviet goods earlier, in 1930. On becoming Foreign Commissar in July 1930, Litvinov had hinted that any countries enforcing a boycott on Soviet goods would suffer retaliatory measures, and, when the French restrictions were introduced in early October 1930, the Soviet Government reacted swiftly by passing a decree 'to stop absolutely or reduce to a minimum orders and purchases' in those countries imposing restrictions on Soviet goods (2).

There was a marked similarity in the thinking of Briand and Bennett, who both saw the Soviet dumping not only in purely economic terms but also as an attempt to dislocate the capitalist world and destroy Western civilisation (3). Arguments such as these were used by the French in trying to induce German, and by the Canadians in trying to induce British support and co-operation. However, both the Germans and the British,

- 
1. Balawyder, op.cit. pp.118-148. These restrictions remained in force until 1936.
  2. Degras, Soviet Documents, op.cit. Vol II, pp.450, 459; D.B.F.P. II/VII Doc.No. 92.
  3. For Briand's comments to the German Ambassador in Paris in this vein, see Dyck, op.cit. p.214. At the Imperial Conference Bennett said that 'dumped Russian goods were a menace to our civilisation, which would be overwhelmed if nothing were done'. D.Can.E.R. Vol 4, Doc.No.176.

519

tied by commercial treaties (France had no such treaty with the Soviet Union) and tempted by the prospects of Soviet orders which would alleviate the worsening unemployment situation, refused to join in any anti-dumping action (1).

To the Soviet Union there were clear signs of the formation of an economic front; Molotov, speaking to the Sixth Congress of Soviets in March 1931, described the efforts to form an 'economic blockade', but also drew solace from the existence of certain countries (by implication Britain and Germany) where the desire to come to terms with the Soviet Union on a number of economic questions survived (2). At international conferences during the spring of 1931, such as the World Grain Conference in Rome in March 1931 and the Wheat Conference in London in May 1931, the Soviet delegates were at pains to justify their policies (3). By the summer of 1931 the anti-dumping campaign had lost much of its impetus; symptomatic was the French decision in July 1931 to withdraw their restrictions.

- 
1. Dyck, op.cit. pp.214-215. Snowden told Bennett that he thought 'Russia would be suffering from her own action before the rest of the world was overwhelmed'. D.Can.E.R. Vol 4, Doc.No.176.
  2. Degras, Soviet Documents, op.cit. Vol II, pp.473-479.
  3. Coates, op.cit. pp.377-378; Eudin and Slusser, op.cit. Vol II, p.57. In February 1931 Sokolnikov asked Henderson about the British attitude to these forthcoming conferences. D.V.P. Vol XIV, Doc.No. 53.



As the anti-dumping campaign reached a peak in the winter of 1930-31, at the same time a revival of the campaign against forced labour in the Soviet timber industry occurred. A Conservative politician sent MacDonald signed statements by escaped prisoners about the slave conditions in the Russian timber industry. MacDonald's reply in January 1931, drafted after consultation with the Foreign Office, stated that, since Soviet timber was handled by both compulsory and free labour, it could not be legally proved that any one consignment contravened the Foreign Prison-made Goods Act. As to the prohibition of Soviet timber, 'after careful consideration of its bearing on our commercial relations, I am not in the present circumstances satisfied that such a measure is practicable' (1).

MacDonald, however, privately favoured making an overture to the Soviet Government with a view to making an investigation into the timber situation, but both the Foreign Office officials and Ambassador Ovey felt that a direct request for an investigation would be resented by Moscow (2). However, on 21 January

- 
1. Times, 20 January 1931; Foreign Office Minute, 6 January 1931, N105/1/38, FO 371/15587.
  2. Minute by Oliphant, 17 January, and Henderson to Ovey, 20 January 1931, N199/1/38, FO 371/15587.

1931 during the course of an argumentative conversation with Litvinov, Ovey referred to the growing feeling in Britain on the subject and attempted to secure 'some form of enquiry by impartial investigators'; a proposal totally rejected by Litvinov, who replied that 'neither prison labour, nor, in general, the labour of sentenced persons is employed in the branches of the timber industry which produce for export, including the work at the ports'. Litvinov followed up this carefully-worded reply by adding that any wavering by the Labour Cabinet would only encourage the Conservatives' campaign, which would otherwise soon dry up (1).

Having rejected the idea of an embargo or boycott, MacDonald's plan for an enquiry turned more on the desire to placate public opinion than on the conviction that the result would be effective in extracting any concessions from the Soviet side. In the light of Litvinov's cold response, MacDonald had to tell the Commons that, as an enquiry was inappropriate, the Government had confined themselves to making known to the Russians the strength of feeling in Britain and to publishing as a White Paper some of the official

---

1. Ovey to Henderson, 21 January 1931, N460/1/38, FO 371/15588; Popov, Diplomaticheskkiye Otnosheniya, op.cit. pp.68-69.

Soviet labour legislation (1). On 11 February 1931, Henderson brought the question before the Cabinet again and he was authorised to see Sokolnikov and 'impress upon him once more the seriousness of the situation which was growing up, for Anglo-Russian trade' (2). Six days later, Henderson brought Sokolnikov's attention to the growing number of Parliamentary questions, impressing on him that 'this agitation was growing more serious and was producing real feeling both in political and non-political circles'. He pointed out that, although the Soviet Government were 'no doubt within their rights' in not permitting actual conditions to be investigated by an outside enquiry, the Soviet attitude made 'it impossible to deal with the accusations in an authoritative manner' (3).

No doubt anticipating further aggravation of this issue in their relations with the Western powers, above all Britain, the Soviet Government made a slight concession, as during the religious persecution issue. Molotov, during his address to the Sixth

- 
1. H.C.Deb. Vol 247, Cols 163-165, 585-587. The White Paper was Cmd. 3775, 'Selection of Documents Relative to the Labour Legislation in force in the U.S.S.R.'
  2. Cabinet Conclusions, 11 February 1931, 13(31)3, CAB 23/66. Graham was instructed to investigate whether the question could be brought within the scope of the Foreign Prison-made Goods Act.
  3. D.B.F.P. II/VII, Doc.No. 135; D.V.P. Vol XIV, Doc.No. 53.

- 314 -

Congress of Soviets on 8 March 1931, invited representatives and journalists from foreign countries to visit the timber regions (1). Ovey telegraphed to the Foreign Office that he was prepared to send a member of his staff if necessary, but he was worried over the repercussions from publishing the reports. The Foreign Office officials were unanimous in considering that the disadvantages far outweighed the advantages of taking up this offer officially; in the words of Vansittart, 'we cannot now afford to be deliberate dupes'. The Foreign Office therefore decided to leave this matter well alone, as they rightly suspected that the Soviet Government 'have had ample time to cover up their tracks' (2).

The subject continued to be raised in questions and debates in the Houses of Commons and Lords during the spring and summer of 1931, and in May Lord Phillimore introduced a Bill to prevent imports of the products of convict or forced labour (3).

- 
1. Manchester Guardian, 9 March 1931; Ovey to Henderson, 12 March 1931, N1760/1/38, FO 371/15589. The Soviet English-language paper, Moscow News, contained a series of interviews and reports of Russians and foreigners refuting 'forced labour' accusations, during the period January to April 1931.
  2. Ovey to Henderson, 19 March 1931, N1920/1/38, FO 371/15589; H.C.Deb. Vol 250, Cols 725-727; Dallin and Nicolaevsky, op.cit. p.224.
  3. H.C.Deb. Vol 250, Cols 421-488; H.L.Deb. Vol 81, Cols 320-352. The Bill received a Third Reading in July 1931, but made no further progress due to the political crisis. The Duchess of Atholl continued to campaign against dumping and forced labour throughout 1931-32. See her autobiography, Working Partnership, (London 1958) pp. 182-184.

Labour spokesmen consistently refused to countenance any form of restriction on Soviet imports, while admitting that the balance of evidence suggested that forced labour did exist within the Soviet timber trade. As Lord Ponsonby explained to the House of Lords in June 1931: 'Judging by all the reports that have come in from various quarters, with a bias one way or the other, there is no question that forced labour and convict labour exist in the timber trade in Russia...(but) we cannot make investigations and reports in a foreign country that will not submit to have the reports made' (1). As in the case of the campaign over religious persecution, the Labour Cabinet were concerned on humanitarian grounds over the conditions inside Soviet Russia, but the desire to avoid being accused of interference in the internal affairs of the Soviet Union and the desire to avoid any steps which could bring down Soviet retaliatory action on British exports to the Soviet Union (the increase of which was an article of faith for the Labour Cabinet) inhibited them. British policy therefore amounted to little more than attempting to impress on the Russians the strength of feeling in Britain, hoping thereby to take some of the steam out of the Conservative campaign and also to moderate Soviet

---

1. H.L.Deb.Vol 81, Cols 348-349.

practices in the lumber industry. In both respects success was limited.

This policy was maintained until the end of the life of the Cabinet; the campaigns against dumping and forced labour slowly died out during the summer of 1931, and Britain continued to import Soviet wheat and timber (see Appendix Four of this thesis). However, even at depressed prices, the considerable volume of these goods represented a significant factor in the balance of Anglo-Soviet trade during 1930 and 1931; in fact in 1930 accounting for nearly half of the value of British imports from the Soviet Union. Moreover, although the value of British exports to the Soviet Union increased by nearly half during 1930, the increase in British imports from the Soviet Union ensured not only that the balance of trade remained favourable to the Soviet Union but also that the gap widened (see Appendix One).

As Parmoor explained to the Lords in November 1930, British exports to Soviet Russia were believed to be an important factor in the unemployment question, indeed, 'that really has been the basis on which the whole of our policy towards Russia has been based' (1), but the disappointing results, in terms of the growth

---

1. H.L.Deb. Vol 79, Col 112.

- 317 -

of exports, led to renewed efforts during the winter of 1930-31 to gain further Soviet orders. In mid-October 1930, while attending a dinner at the Soviet Embassy, Henderson reproached Sokolnikov for the Soviet Union's failure to realise the promises of a large turnover in trade; Sokolnikov's reply was that the fault lay with the Export Credits Guarantee Advisory Committee and he urged a Cabinet initiative on this issue (1). Sokolnikov followed up these comments with a letter which attempted to play off Britain against Germany and the United States, by references to possible £5 million orders if two years credit could be arranged and by the threat that if there were to be 'no change in the unfavourable credit conditions which are now ruling in Anglo-Soviet trade, the possibility of a substantial decrease in the Soviet orders placed in Great Britain is not excluded' (2). It was precisely in November 1930, with the introduction of embargoes on Soviet goods by France and to a limited extent by the United States, that the Soviet trade planners revised their ordering policies so as to concentrate more on those countries in 'friendly relations'. The approach to Britain had elements of both 'stick' and 'carrot', but it was not initially successful.

- 
1. D.V.P. Vol XIII, Doc.No. 361.
  2. Sokolnikov to Henderson, 23 October 1930, N7346/423/38, FO 371/14875. See also Dyck, op.cit. pp.220-221.

When Sokolnikov's letter was brought before the Panel of Ministers on Unemployment in late November 1930, there was general agreement that no changes should be made in the credit policy in force. Opinion in the City was said to be that the Soviet financial situation was deteriorating, although the Russians would strain hard to avoid default. Henderson, considering the unemployment situation, argued that there was 'much to be said for doing as much business as possible with Russia provided that we are satisfied as to her financial position', but MacDonald felt that Britain was being 'squeezed' for poorer terms than Germany, and Graham, supported by Snowden, advised against pushing the Advisory Committee into considering credits to Soviet Russia on any basis other than 'purely business considerations' (1).

Nevertheless, continually rising unemployment and the failure of the Government-sponsored trade delegations during the autumn of 1930 to open up any significant new export outlets in other parts of the world refocused attention on the Soviet market. Unofficial contact made with the Germans and the

---

1. Conclusions of Unemployment Panel Meeting, 28 November 1930, U.P.(30), 17th Meeting, CAB 27/438. Graham made no attempt to press the Advisory Committee to give better terms. Export Credit Guarantee Advisory Committee Minutes, 3 December 1930, E.C.G. 1/14.



Americans (at MacDonald's suggestion) showed that German and British credit terms did not differ 'so widely' as to 'account for the enormous difference in German and British exports to Russia' (1).

Vansittart's conclusion was that 'it can do nothing but good to let M. Sokolnikov know plainly that we are most dissatisfied with the figures both absolutely and relatively to other countries' (2).

This point was made by Henderson and Graham in conversations with Sokolnikov in February and March 1931; the Soviet response was to put the blame on the 'inadequate' duration of British credits and the lack of competitiveness in British prices and to dispute the British trade figures (3). Sokolnikov's impression was that there would be no change in the basic credit terms in the immediate future, and this may well have been a factor behind the Soviet courting of the Germans, resulting in the Piatakov Agreement (for orders for 300 million marks, approximately £14,700,000, between April and August 1931) and the Italians, resulting in an Italo-Soviet credit agree-

- 
1. Memorandum by Charles Bateman, member of Northern Department, 17 February 1931, N968/85/38, FO 371/15602. The balance of Soviet-German trade was in Germany's favour.
  2. Minute by Vansittart, 12 February 1931, N1219/324/38, FO 371/15610.
  3. D.B.F.P. II/VII, Doc.No. 135; D.V.P. Vol XIV, Doc.Nos. 53, 67; Soviet Embassy to Foreign Office, 13 March 1931, N1788/324/38, FO 371/15611. Soviet figures for 1929-30 were £15 million of imports from Britain, and invisibles at £8 million for 1930. The Soviet figures included orders placed in Britain for goods shipped direct from the Empire to the Soviet Union.

ment (for orders for 350 million lira, approximately £3,800,000, during 1931), both in April 1931 (1).

At the end of March 1931, Clynes brought before the Cabinet a specific case of a proposed Soviet order for textile machinery from an English firm which seemed likely to fail (and consequently create further unemployment) through the lack of long-term credits. The Cabinet decided to set up a sub-committee, consisting of Clynes, Graham and Thomas Johnston, the new Lord Privy Seal, to examine the whole question of credits to Soviet Russia (2). Johnston, who had a 'lively interest' in extending trade with the Soviet Union, immediately contacted Bron, who put forward proposals for orders for ships (on credit up to 5 years) and heavy engineering machinery (more than 2 years credit). These proposals were discussed with various departmental officials and with Colonel Peel of the Export Credit Advisory Committee. Both Snowden, who objected to any long-term credit as being in effect a loan, and Graham, who felt that further tonnage was just not necessary, opposed the shipping order credit, but the sub-

- 
1. D.V.P. Vol XIV, Doc.Nos.54, 67, 135; Dyck, op.cit. pp. 223-224; Degras, Soviet Documents, op.cit. Vol II, pp. 490-492, 495-497.
  2. Cabinet Conclusions, 25 March 1931, 19(31)6, CAB 23/66.

committee did feel that 'more elasticity should be introduced into the terms for heavy engineering material so that credits extending to 30 months from the date of the order could be guaranteed' (1).

The Cabinet, annoyed by the Russians' actions in trying to pressurise them, agreed on 1 July 1931 to the sub-committee's recommendations, but subject to a cessation of Bron's 'propaganda campaign' (2). Johnston and Moisei Gurevitch, head of the Soviet delegation to the debts negotiations, worked out the details, for £6 million of orders, which were agreed on at the end of July. Discussions continued over orders for iron and steel, but no further definite agreement had been reached when the Labour Cabinet left office (3).

- 
1. Treasury to Board of Trade, 30 March 1931, E.C.(31)3, and Memorandum by Graham, 13 April 1931, E.C.(31)5, both CAB 27/449; Memorandum by Clynes, 26 June 1931, C.P.95(31), CAB 24/220.
  2. Memorandum by Graham, 29 June 1931, C.P.161(31), CAB 24/222; Cabinet Conclusions, 1 July 1931, 36(31)4, CAB 23/67; Export Credit Guarantee Advisory Committee Minutes, 8 July 1931, E.C.G. 1/14. The Advisory Committee agreed provided no further concessions would be required of them.
  3. Tom Johnston, *Memories*, (London 1952) p.98; H.C.Deb. Vol 255, Col 1546. Graham praised Johnston's 'very valuable work by taking over the Russian credit negotiations'. Graham to MacDonald, 20 July 1931, MacDonald Papers, PRO 30/69/2/11.

011

A Foreign Office memorandum credited the main inspiration for this new departure to Johnston himself, 'largely due to the long credits obtainable by the Soviet Government in Germany'(1). The Cabinet endorsed the opinion of the Cabinet sub-committee that it was 'highly paradoxical' that at a time when Britain and other countries had 'come to the financial rescue of Germany', such large German credits should be granted to the Soviet Union, and, again reviving MacDonald's suggestion of the previous November, talks with the Germans were initiated (2). Graham had in fact mentioned the subject in passing to Curtius, the German Foreign Minister, on the latter's visit to Chequers in early June 1931 (3). Careful to avoid any suspicion of these talks reaching the Russians, a member of the Export Credit Guarantee Department did visit Berlin later in the summer of 1931, but the respective viewpoints were difficult to reconcile (4).

- 
1. Foreign Office Memorandum, 19 October 1931, N6954/63/38, FO 371/15600.
  2. Memorandum by Clynes, 26 June 1931, C.P. 95(31), CAB 24/220; Cabinet Conclusions, 1 July 1931, 36(31)4, CAB 23/67.
  3. D.B.F.P. II/II, Doc.Nos. 51, 228.
  4. Foreign Office Memorandum, 19 October 1931, N6954/63/38, FO 371/15600.

323

The Johnston-Gurevitch agreement did much to ease the back-bench pressure on the Cabinet, but provoked criticism from the Conservatives, with some justification, that the Cabinet had brought political pressure to bear on the Advisory Committee (1). The credits granted for trade with the Soviet Union came to occupy a significant proportion of all the credits granted under the Export Credit scheme, in 1930 over 50% and in 1931 over 75%; moreover well over half of all the British exports to the Soviet Union were financed by the credit system, at a time when the Russians were selling large quantities in Britain for cash (see Appendices One and Three). This situation was to be closely examined by the incoming National Government.

During the second year of the Labour Cabinet's life, the issue of credits became increasingly interwoven also with the debts and claims negotiations. The joint Main Committee held its first meeting on 2 October 1930, and then followed three months of tortuous negotiations about the allocation of the British and Soviet claims amongst the sub-committees and the procedures to be adopted (2). Agreement was reached

- 
1. The issue was fully explored in a debate on 22 July 1931, see H.C.Deb. Vol 255, Cols 1515-1644.
  2. The details are in files in FO 371/14837, 14838, 15594. A brief summary is in D.B.F.P. II/VII, App. II(ii).

on setting up two extra sub-committees to deal with claims and counter-claims arising from the British intervention, but no agreement could be reached over the allocation of a Soviet claim for the return of £60 million of gold transferred during the War (1). Subsequently, work could only start in two sub-committees, 'B', the claims of the bondholders, and 'C', miscellaneous claims, but even with these sub-committees the series of meetings between January and May 1931 produced no real progress. When the matter was referred to the Main Committee on 1 June 1931, Gurevitch, the head of the Soviet delegation, stated that the payment of claims was dependent on the grant of credits, a principle unacceptable to Lord Goschen, the head of the British delegation (2).

The question was referred back to the ministerial level, but Henderson, during a conversation

- 
1. Henderson agreed with a Soviet suggestion for a separate seventh sub-committee to discuss the gold deposit claim, but Snowden and the Treasury officials refused to allow this claim to be separated from the War debt question to be dealt with by sub-committee 'D'.
  2. Details of the two sub-committees' meetings and the Main Committee meeting of 1 June 1931 are in FO 371/15594-15597.

with Litvinov in Geneva on 22 May 1931, had already been told that any debts settlement could 'only be made on the condition of appropriate credit operations' (1). The British side were clearly close to losing patience with the Soviet tactics of playing for time and trying to link the claims with credits. This frustration had been expressed by Henderson in November 1930, when he told Sokolnikov that 'the whole course of our relations since the signing of the protocol at Lewes... has been a series of procrastinations, especially in this matter of the debt negotiations' (2). Finally, on 24 July 1931, Henderson, Dalton, and Sokolnikov met together with the heads of the two delegations to resolve the deadlock. Henderson stated that a continuation of the negotiations was pointless unless a definite offer in writing was received (Sokolnikov offered partial compensation of the bondholders in return for long-term credits), to which Sokolnikov replied that no definite offer could be made without an assurance that it would not be rejected because of the principle on which it was based. Henderson angrily

---

1. D.V.P. Vol XIV, Doc.No.170.

2. Henderson to Ovey, 25 November 1930, N8154/12/38, FO 371/14838. MacDonald minuted on the record of one meeting: 'Isn't this getting a farce. Aren't they playing with us?'. Minute by MacDonald, 21 April 1931, PRO 30/69/1/266.

replied that he could not give an answer about a scheme which he had not yet seen, and the meeting broke up inconclusively with Sokolnikov stating that he would inform Moscow (1).

Henderson was justified in his criticisms of dilatory Soviet negotiating techniques. At the meeting of 24 July, Henderson in his frustration came close to accepting the Soviet criteria of a definite link between the claims and credits; however, there is some evidence from the Soviet side that 'concrete proposals' were drawn up (2), but never transmitted to the British, probably due to the change in Britain's political and financial situation in the summer of 1931.

After the opening of the debts negotiations in October 1930, the Narkomindel instructed Sokolnikov to raise the question of starting negotiations for a

- 
1. D.B.F.P. II/VII, App.II(ii); D.V.P. Vol XIV, Doc.No. 216. Litvinov had told a senior Treasury representative in May 1931 that in return for credits they might pay 15% of the bondholders' claims. Memorandum by Sir Frederick Leith-Ross, 22 May 1931, N3657/51/38, FO 371/15596.
  2. On 26 July Litvinov telegraphed to Sokolnikov that he should put forward 'concrete proposals, without an unequivocal undertaking from Henderson' and the Soviet Embassy did draw up a memorandum. D.V.P. Vol. XIV, Doc.No. 381 and note 148.



full trade treaty to replace the April 1930 Temporary Agreement (1). The Foreign Office officials were in agreement with Henderson's personal view that, though the debt negotiations were not proceeding very satisfactorily, negotiations for a full trade treaty could begin, but Henderson was forced 'reluctantly' to accept the views of Graham and Snowden, who opposed entering into trade treaty negotiations until 'a much greater degree of substantial progress' had been made in the debt negotiations. The Russians contested the linkage of the two sets of negotiations, but the trade treaty question went back into cold storage (2).

In addition to trade relations and the debts and claims issue, Henderson also found cause to complain about the lack of Soviet response on the issue of propaganda.

- 
1. Ibid, Vol XIII, Doc.No. 422.
  2. Ibid, Doc.No. 455; Foreign Office to Board of Trade, 19 November, N7900/28/38, and Board of Trade to Foreign Office, 25 November 1930, N8173/28/38, both FO 371/14852; Henderson to Ovey, 25 November 1930, N8154/12/38, FO 371/14838; Memorandum by Treasury, 27 November 1930, F10070/05/2, T 160/384. In May 1930 the Cabinet had decided that no trade treaty negotiations should begin 'until the debt negotiations have made some progress or have at least begun'.

During 1930 a number of secret trials took place in which Russians involved in the economic field were implicated in counter-revolutionary activities, and the arrest of one group, connected with the food industry, in September 1930, led to accusations against the Union Cold Storage Company, a British firm. Determined to avoid a fate similar to that which had befallen the Lena Goldfields Company, the directors asked the Foreign Office to protest on their behalf against the allegations; this was done at the end of November, and no Soviet recriminations resulted (1).

The first show trial to take place after the Shakhty case in 1928 was the trial in late November 1930 of the so-called 'Industrial Party' on charges not only of sabotage but also of directly attempting to secure foreign armed intervention, especially from France and Britain. The initial reaction of the Foreign Office officials was to advise against any protest as the accusations against Britain appeared to be contained only in the depositions of the accused, but examination of the full text showed that the

---

1. D.B.F.P. II/VII, Doc.No. 104; A Sutton, op.cit. pp. 124-125; Foreign Office Memorandum, 15 October 1930, N7304/75/38, FO 371/14863; Ovey to Henderson, 20 December 1930, N9165/75/38, FO 371/14865.

- 329 -

indictment by the Soviet Public Prosecutor, Nikolai Krylenko, contained two charges against the British Government, one concerning the Baldwin Cabinet, the other the British Army and Government without specification of date (1). With parliamentary questions being laid on this matter, the Northern Department officials as well as Dalton were in favour of making a protest 'straight away'. Accordingly, on 30 November, Ovey informed the Narkomindel that the British took exception to the statements by Krylenko, which reflected 'adversely and without reason' on the British Government (2).

Further examination of the text of the indictment showed other passages to which the Foreign Office objected and Ovey was instructed on 2 December to obtain an explanation from the Soviet Government as to the reason for these 'baseless charges' (3). However, before he could arrange a meeting with Litvinov, a further development complicated the issue. A Soviet radio

- 
1. Inprecor, 20 November 1930; D.B.F.P. II/VII, Doc.Nos. 105, 106; Foreign Office Minute, 28 November 1930, N8305/75/38, FO 371/14864. For the trial see Conquest, op.cit. pp.733-734.
  2. D.B.F.P. II/VII, Doc.Nos. 107, 108. Herbette, the French Ambassador in Moscow, protested on 11 and 29 November about the specific references to the French Government.
  3. D.B.F.P. II/VII, Doc.No. 111.

broadcast in English on 2 December, dealing with the trial and quoting from an open letter by Maxim Gorky to British workers about the trial, was referred to in the Commons the following day. Henderson and Dalton 'had words' over the action to be taken over this broadcast. Dalton recorded:

'Russia is a bloody hair shirt!...The officials, I think, all agree with me in not wanting another protest. But Uncle (Henderson) has got a Soviet complex at the moment. We shall see the result of giving way to it!' (1)

Exasperated at the repeated breaches of the propaganda pledge, as well as at the general Soviet attitude on the debts and other issues, Henderson instructed Ovey to lodge a 'strong protest' with the Soviet Government on the grounds that 'no effort whatsoever is being made to abide by the propaganda pledge' (2).

Consequently, when Ovey met Litvinov on 5 December he protested about both Krylenko's statements and the wireless broadcast, but was dissatisfied with Litvinov's answers that Krylenko 'could not have done otherwise than incorporate in his indictment evidence of witnesses' and that the broadcast might

- 
1. Dalton Diaries, 3 December 1930, The fullest text of the broadcast is in British Broadcasting Company to Foreign Office, 3 December 1930, N8492/33/38, FO 371/14856.
  2. D.B.F.P. II/VII, Doc.No. 118.

have been made from 'some private station' (1).

However, two days later Litvinov handed Ovey a written explanation that the broadcasts had emanated not from a Government-controlled station but from a private trade union station, but that 'the undesirability of such broadcast messages in future will be impressed upon the All-Union Central Council of Trade Unions'. Henderson decided to drop the matter in view of this assurance (2).

However, Henderson wanted a more concrete reply over Krylenko's comments, for which the Soviet Government 'cannot refuse responsibility' (3).

Conversations with Litvinov on 6 and 9 December produced only a written version of the earlier verbal disclaimer of the Soviet Government's responsibility (4).

---

1. Ibid, Doc.No.120.

2. H.C.Deb. Vol 246, Cols 12-13; Ovey to Henderson, 6 December 1930, N8546/75/38, FO 371/14856. The G.P.O. continued to monitor Moscow radio broadcasts until September 1931. In 1933 the British once again protested against broadcasts and the Narkomindel reaffirmed their 1930 pledge. Strang to Sir John Simon, Foreign Secretary, 28 September 1933, N7463/46/38, FO 371/17248.

3. D.B.F.P. II/VII, Doc.No. 121.

4. Ibid. Doc.Nos. 122, 123, 127, 128.

With a marked diminution of the anti-British references in the later stages of the trial and the possibility of any further retreat by the Soviet side considered unlikely, the Foreign Office favoured winding up the dispute, for, as Vansittart minuted, 'we should have the credit of sticking to our point, and meanwhile interest here will tend to evaporate, since we have clearly made some impression' (1).

The incident was then wound up by Ovey's 'long and difficult' conversation with Litvinov on 24 December. Ovey formally expressed the British Government's 'profound dissatisfaction ...at the attitude of the Soviet Government in this matter'. Although Litvinov appeared 'hurt and angry', Ovey felt that 'with a little patience matter will blow over and incident be closed' (2).

The trial, arranged for internal purposes in order to keep the tempo of the Five Year Plan at a high level, played on the constant theme of capitalist intervention. With relations with France already at a very unsatisfactory level, the Politburo probably calculated that Franco-Soviet relations could

- 
1. Minute by Vansittart on Ovey to Henderson, 6 December 1930, N8648/75/38, FO 371/14865.
  2. D.B.F.P. II/VII, Doc.Nos. 129, 130, 132, 133, 134.

- 333 -

not get much worse anyway, but miscalculated on the strength of feeling that might be aroused in Britain. It can be seen as another example of Stalin abusing relations with a Western power (in this case notably a socialist government to whom the Comintern line was most vociferously opposed) for the sake of domestic purposes. Nevertheless, Litvinov himself did not disagree with Ovey's suggestion that the anti-British accusations were unfounded (1), and, more significantly, while talking with the Italian Ambassador in Moscow on 1 December, Litvinov included Britain among the powers 'friendly' to the Soviet Union (along with Germany and Italy) (2). The next show trial, the March 1931 trial of the Mensheviks, was notable for the absence of Britain's name amongst the foreign countries accused of intervention (3).

Nevertheless, the propaganda issue continued to be an irritant to the Labour Cabinet and a source of Conservative back-bench questioning. When Parliament reassembled in mid-January, questions were

- 
1. Ibid, Doc.No. 120.
  2. D.D.It. Vol IX, Doc.No. 431.
  3. Ovey to Henderson, 3 March 1931, N1523/84/38, FO 371/15601. For details of the trial see Naum Jasny, Soviet Economists of the Twenties, (Cambridge 1972), pp.61-86.

asked about a programme of action adopted by the Profintern which called for propaganda amongst the British armed forces. The Northern Department officials were in agreement that this constituted a breach of the propaganda pledge, but felt that an ineffective protest would be 'worse than useless'. Dalton therefore explained to the Commons that the matter was being 'carefully watched' (1). For the rest of 1931 the Labour Cabinet's policy, worked out in agreement with the Foreign Office, was to abandon the idea of protesting at every breach of the pledge. The Foreign Office analysis was that 'in practice...representations to the Soviet Government on this subject produce little or no effect' and so 'continued protests were not only useless, but became progressively more undignified' (2).

Vansittart, in a memorandum which he drew up in mid-April 1931, reviewed evidence available regarding instructions from the Comintern and the Profintern to the British Communist Party designed to increase espionage amongst the British armed forces and to stir up revolutionary activities in the Empire.

- 
1. H.C.Deb. Vol 247, Cols 582-584; Foreign Office Minute, 22 January 1931, N628/4/38, FO 371/15592.
  2. D.B.F.P. II/VII, App.I.



He noted:

'since the beginning of October 1930 there have been no less than 10 cases brought to the notice of the Foreign Office through confidential channels tending to show that little or no effort is being made to restrain those subversive elements in the Soviet Union that are responsible for breaches of the propaganda agreement....It is for consideration whether the time has now arrived for a further remonstrance to the Soviet Ambassador on this question of propaganda' (1).

An open letter from the Profintern to the Minority Movement, calling on trade unionists to abandon legal methods, had prompted Vansittart's review, but other senior officials and Henderson were against taking any action (2). When the Daily Worker published the Comintern's May Day manifesto, which contained inflammatory attacks on the Government, Vansittart and Henderson considered (as they had in May 1930) the possibility of prosecuting the newspaper rather than making representations to the Russians, but although the matter was referred to Sankey again, caution again militated against action (3).

- 
1. Memorandum by Vansittart, 15 April 1931, N2655/4/38, FO 371/15592.
  2. Foreign Office minutes on *ibid*; Daily Worker, 11 April 1931.
  3. Daily Worker, 1 May 1931; Minute by Henderson, 13 May 1931, N3583/4/38, FO 371/15592.

While Henderson was in Geneva he met Litvinov, on 23 May 1931, and complained to him that propaganda was not ceasing, to which Litvinov replied with the usual disclaimer that the Comintern was not an instrument of the Soviet Government (1). The Foreign Office therefore concluded that the Soviet Government would 'give no satisfaction...in this matter' (2), but, in fact, apart from a brief flurry of interest over Bukharin's visit to Britain to attend an international congress in late June 1931 (3), the propaganda question was quiescent during the last few months of the Labour Cabinet.

In recommending a line to be taken during a Commons debate on 18 May on the propaganda issue, Vansittart argued that communism in Britain was 'a negligible force', but he did have private reservations about Soviet propaganda in other parts of the world, including India; a point on which the India Office

- 
1. D.V.P. Vol XIV, Doc.No. 170.
  2. Foreign Office memorandum, 2 June 1931, C.P.317(31), CAB 24/225.
  3. Colin Holmes, 'Bukharin in England' in Soviet Studies, July 1972, pp.86-90, and a letter by N. Lampert, *ibid*, January 1973, pp. 467-468.

agreed (1). The Comintern approach to India was still faithful to the line set out by the Sixth Comintern Congress, particularly in the sharp criticism of Gandhi and the Indian National Congress. The 'Draft Platform of Action of the Communist Party of India', published in December 1930, called for the forcible overthrow of British rule, for agrarian revolution and for the creation of a mass, centralised communist party, but such a party was far from being established, with the leaders still in prison and even Roy, who after being expelled from the Comintern in November 1929 returned to India in December 1930 to form a splinter group in contact with radical nationalists, being arrested in July 1931 (2). Indian intelligence authorities watched carefully <sup>S</sup>igned of growing Soviet contact with subversive groups in the areas bordering on India (Afghanistan, Sinkiang, Burma) and in South-east Asia, but the discovery of the Comintern Far Eastern Bureau's headquarters in Shanghai in June 1931 and the information thereby

- 
1. H.C.Deb. Vol 252, Cds 1619-1688; India Office to Foreign Office, 26 May 1931, N3704/1970/38, FO 371/15619. Amongst the countries where Vansittart thought communist propaganda 'very active and effective' were Peru, China, India, Germany and Spain. Minute on same file.
  2. Imam, op.cit. pp. 309-312, 319-322; Saha, op.cit. pp. 158-164.

provided effectively destroyed the Comintern's organisation in South-east Asia for at least a year (1).

At the same time, the Labour Cabinet's conciliatory Indian policy, as evidenced by the Round Table Conference in London from November 1930 to January 1931 and the Irwin-Gandhi Pact in April 1931, decreased the effectiveness of the appeal of the communists to Indian opinion (2).

During 1930 the stabilisation of the Afghan internal situation under Nadir Shah reassured the British, but they were put in <sup>an</sup> awkward position in early 1931 when the Afghans, anxious about Soviet moves to forge closer links, were prompted to enquire as to the British attitude in the event of Soviet aggression on Afghanistan. It had been the assumption of the 1927-28 discussions on the defence of India that Soviet encroachment into Afghanistan would be a casus belli, but care had been taken not to make any such commitment to the Afghans themselves. The formula finally approved by Henderson in July 1931 stated that Britain 'could not regard with indifference unprovoked

---

1. Ibid, pp. 36-51, 60-64.

2. Brown, op.cit. pp. 168-191; Gupta, op.cit. pp.209-215.

aggression' on Afghanistan but reserved the right to decide on a response depending on the 'circumstances of the moment'. However, before this cautious reply was transmitted to the Afghans, they had already proceeded with a Non-aggression Treaty with the Soviet Union, signed in June 1931 (1).

The Eleventh Plenum of E.C.C.I., held in late March-early April 1931, did not devote much attention to the colonial world, concentrating instead on the world economic crisis, the menace of French-inspired intervention, and the role of the social-democrats in betraying the workers. The British Communist Party was again criticised for its failure to make better progress, and it was urged to make greater efforts among the unemployed movements (2).

The Plenum continued to single out France as the 'champion of the most aggressive anti-Soviet policy', the main theme of Soviet pronouncements throughout 1930-31. During 1930, on both an economic level, because of the French advocacy of anti-dumping

- 
1. Irwin to Benn, 22 March 1931, Sir Richard Maconachie, Minister in Kabul, to Henderson, 23 April, and Henderson to Maconachie, 24 July 1931, all I.O. Records, R/12/1/89.
  2. Degras, Comintern, op.cit. Vol III, pp. 149-167.

measures and attempts to enlist German support in a restriction of Soviet goods, and on the political level, because of Briand's plan for a united Europe which once again raised the spectre of a united capitalist front, the Soviet Union were genuinely nervous of French intentions.

In September 1929, Briand had first publicly mentioned his idea of a federation of European states, emphasising economic links, but when the promised French plan was formalised in May 1930, the emphasis had changed to political aspects. The British response was cautious in public, but in private Henderson argued that the French proposals 'in their present form, are unacceptable' and 'would be detrimental to the satisfactory development of the League of Nations' (1). From the start the Soviet Government were hostile, and as Litvinov explained to his diplomats abroad in June 1930: 'We see the meaning of this venture as being largely an attempt by France to increase her influence on the policy of other European countries,

- 
1. Carlton, op.cit. pp.83-86. A senior Foreign Office official wrote: 'Briand's proposal to rationalise Europe is probably impracticable; nor is it necessarily desirable in the interests of peace to see a pan-European politico-economic unit evolve in rivalry with the American, British Empire and Russian groups'. Memorandum by Wellesley, 1 December 1930, MacDonald Papers, PRO 30/69/1/286.

and even to establish her own hegemony' (1).

Determination to frustrate this plan, in which the Soviet Union had not been invited to participate, proved another cause for renewed Soviet-German co-operation.

With European opinion moving against him, in September 1930 Briand called for a League commission of enquiry to examine his proposals. Max Beloff has written that the inclusion of the Soviet Union was 'strongly pressed by Germany and Italy, with rather lukewarm support from Great Britain', but, in fact, from the start Henderson strongly favoured Soviet participation in the proposed Commission's discussions on economic issues. The Soviet Government promptly accepted the invitation to join in the discussions on the economic aspects issued by the League Secretary in January 1931 (2).

As a result, on 18 May 1931, Litvinov made his first speech to the League Commission, claiming that he represented the only country not going through an economic crisis, refuting accusations of Soviet dumping and ending by putting forward a proposal for

- 
1. D.V.P. Vol XIII, Doc.No. 209, Also Litvinov's comments to Dirksen, the German Ambassador in Moscow, *ibid*, Doc.No. 227.
  2. Max Beloff, *The Foreign Policy of Soviet Russia, 1929-1941*, (London 1947) Vol I, p.43; Davis, *op. cit.* pp.223-229; Memorandum by Sir Alexander Cadogan, Adviser on League of Nations Affairs, March 1931, W:2076/7/98, FO 371/15694.

342

a pact of economic non-aggression. This entailed a re-affirmation of the declarations of the 1927 World Economic Conference about the co-existence of two different economic systems, coupled with a pledge of non-discrimination in economic relations with participating countries (1). In attempting 'to declare economic war illegal', the Soviet Government were clearly showing that, despite all the protestations during the Industrial Party trial about intervention, their real fear was economic blockade; their policy was directed to the end of nullifying France's policy and discouraging other countries from following in France's footsteps. Litvinov's proposal was referred for further discussion at the September and November 1931 sessions and although approval was given to the 'general idea' of the pact proposal, this Commission never met again after 1931 and the plan disappeared into obscurity (2). It should be noted that Sokolnikov, speaking before the Commission in November 1931, described the 1930 Anglo-Soviet Trade Agreement as embodying the principle of non-discrimination as its basis and argued that the pact of economic non-aggression proposal was only a multilateral extension of that bilateral agreement (3).

---

1. Degras, Soviet Documents, op.cit. Vol II, pp. 499-502; Eudin and Slusser, op.cit. Vol I, pp.55-56.

2. Ibid, pp. 341-343; Davis, op.cit. pp. 235-243.

3. Minutes of Commission of Enquiry for European Union, 4 November 1931, W13890/7/98, FO 371/15699.



818

The Soviet Union and Germany also found points in common in their attitudes to the sixth and final session of the Preparatory Commission for the Disarmament Conference, held in November-December 1930, and the Soviet side held out hopes also for some co-operation with Britain. At the beginning of November 1930, Sokolnikov suggested to both Henderson and Dalton that the delegations of the two countries should get together at Geneva (1), but, although both Litvinov, head of the Soviet delegation, and Cecil, attached to the Foreign Office as an adviser on League of Nations affairs, were given instructions to that effect by their respective Governments and some initial agreement in practice over attempts to renegotiate points already decided at the previous session in April 1929 was in evidence, the divergences in approach soon became obvious. Litvinov later criticised Cecil's 'zig-zag course', for 'in general it needs to be said that Cecil, by his conduct, helped the French group to ruin the most important of our proposals for disarmament, for in the majority of cases he sided with this group against the Soviet-German-Italian group' (2). On

---

1. D.V.P. Vol XIII, Doc.No. 381. Also ibid, Doc.Nos. 380, 384.

2. Ibid, Doc.No. 460.

the other hand, Cecil wrote that 'I have done my best to get into relations with the Russians as far as I can bring myself to do so, but I must say they give me a shiver down my back', and that Litvinov 'as a practical force...only exists to obstruct and to make propaganda speeches on every possible occasion' (1). Contacts were stilted, and the British attitude towards the Draft Convention adopted at the end of the session was closer to the French than to the German and Soviet line (2). Nevertheless, in February 1931, Sokolnikov did express the Soviet Government's appreciation of the British attitude at Geneva, and Dalton, for one, still believed that 'we must not leave the Soviet outside our field of preparatory manoeuvres' (3).

During the winter of 1930-31, the French Government viewed with disquiet signs from Germany such as the successes of the Nazis in the September 1930 elections and the proposal for an Austro-German Customs Union in March 1931, while the tariff war with

- 
1. Cecil to Noel-Baker, 11 and 17 November 1930, both in Cecil Papers, Add. 51107.
  2. On British policy see Carlton, op.cit. pp. 94-98. On Soviet-German collaboration see Helliar-Symons, op.cit. pp. 136-151.
  3. D.V.P. Vol XIV, Doc.No. 53; Minute by Dalton on Note by Cecil, March 1931, W2845/47/98, FO 371/15703.

518

the Soviet Union had merely made the balance of trade even more unfavourable for France, so tentative soundings were made to the Russians for trade talks in the late spring of 1931. As France was now regarded as a 'stable' power in Europe, the Soviet Union moved away from trying to organise formations against France and towards accomodation. Negotiations were begun simultaneously for a non-aggression pact. Some progress was made with the commercial talks from June onwards so that in July the two Governments announced the abrogation of their restrictive trade decrees (1). In the Soviet Union's cautious re-appraisal of the diplomatic alignments in Europe Britain did not play a crucial role, lacking the political importance of France or Germany.

On the British side, in assessing the general European situation during the early months of 1931, the military authorities, Vansittart and MacDonald expressed a common concern about the 'militarist spirit' which was once again becoming paramount in Europe. Neither Vansittart nor the service chiefs thought of the Soviet Union as anything other than a 'negative influence' or a 'colossal unsolved problem'

---

1. Dyck, op.cit. pp. 236-240; William Scott, Alliance against Hitler, (Durham 1962) pp.7-12.

in European politics, while the development of Soviet military strength only added to the 'feeling of tension and insecurity' in Eastern Europe. Henderson, on the other hand, would not support the view that the European political situation was deteriorating, and, under his influence, the Committee of Imperial Defence agreed in June 1931 to the extension of the Ten Year Rule, though with the rider that the situation should be 'thoroughly re-examined' the following year (1).

A general sense of uneasiness over the European economic and political situation was justified. Easing of the German financial crisis of June-July 1931 only led to pressure being put on London. The publication at the end of July of the May Committee Report, which forecast a £120 million budget deficit, caused a crisis of confidence in the Labour Cabinet. A political crisis was added to the financial crisis, and, with the Cabinet opposed to abandoning the gold standard, the issue revolved around whether they would agree to a cut in the unemployment benefit to restore confidence. The Cabinet was split over the proposed cuts, but MacDonald, after meetings with the King and

- 
1. Barnett, op.cit. p.298; Memorandum by War Office, January 1931, MacDonald Papers, PRO 30/69/1/284; Memorandum by Tom Shaw, Secretary of State for War, March 1931, C.P. 96(31), and Memorandum by Albert Alexander, First Lord of the Admiralty, 14 April 1931, C.P.100(31), both CAB 24/220; Memorandum by Vansittart, May 1931, C.P. 317(31), CAB 24/225.

347

opposition leaders, took the difficult decision to form a National Government, and the Labour Cabinet resigned on 24 August 1931 (1).

The political situation in the Soviet Union, with Stalin in firm control after defeating the Bukharinists, seemed fairly stable to British observers, but the economic situation was the subject of conflicting reports and assessments. In the winter of 1930-31 a renewed drive towards collectivisation was implemented, while on the industrial front emphasis was increasingly directed towards heavy industry. On 4 February 1931, Stalin made his impassioned speech for quickening the pace, appealing to Russian traditions and ending with the exhortation: 'We are fifty or a hundred years behind the advanced countries. We must make good this lag in ten years. Either we do it or we will go under' (2). The British were justifiably doubtful whether such successes could be achieved 'overnight as it were', but the general conclusion was that despite the difficulties caused by the harshness of the collectivisation campaigns

---

1. Carlton, op.cit. pp. 185-217; Marquand, op.cit. pp. 604-643; Skidelsky, op.cit. pp. 281-395.
2. Stalin, Works, Vol 13, pp. 40-41.

348

and by the world slump, 'substantial progress is being made towards the realisation of the plan' (1). The more pronounced military overtones of the later stages of the Plan were noted by the British, but they did not consider the Soviet army as logistically yet able to conduct an aggressive war, in addition to which the internal disruption brought about by the 'premature acceleration' of the Plan made military action 'still more improbable' than previously (2).

For the Labour Cabinet the experience of 'left speaking to left' was a disappointing one. A thread of disillusion and frustration ran through their attempts to establish amicable relations with the Soviet Union on both the economic and the political levels.

Trade and fisheries agreements were signed, but the expansion of British exports to the Soviet Union which did occur was not sufficient even to reach

- 
1. D.B.F.P. II/VII, Doc.Nos. 100, 101, 103, 126, 137; Strang to Henderson, 8 September 1930, N6308/75/38, FO 371/14862; Memorandum by Wellesley, 1 December 1930, MacDonald Papers, PRO 30/69/1/286; Foreign Office Memorandum, 2 June 1931, C.P.317(31), CAB 24/225.
  2. Memorandum by Vansittart, May 1931, C.P.317(31), CAB 24/225. Although some information about continued Soviet-German military contacts was obtained, this collaboration was still underestimated and not considered 'serious'. D.B.F.P. IA/VII, Doc. Nos. 151, 265; Rumbold to Henderson, N6315/6315/38, FO 371/14885; Rumbold to Henderson, 15 January 1931, C396/396/18, FO 371/15223.

the 1925-27 levels and moreover it was largely financed by credits, whereas Soviet exports to Britain increased even more, so that the balance of trade in favour of the Soviet Union actually increased. With growing protectionist sentiments and the erection of tariff barriers in the West, the British market acted as an important source of foreign currency for the Russians. On the credit issue, as indeed on other issues, the Cabinet found themselves falling between two stools, their own left wing and the Conservative opposition. Without complying with the unrealistic demands of their left wing, the Labour Government did gradually allow extensions in credits because of their overwhelming desire to reduce unemployment (a motive which the Russians tried to exploit as far as possible).

The Comintern line of strong criticism of the Labour Cabinet was maintained throughout the two years, even though this line was increasingly ineffective in terms of the communist movement's prospects inside Britain and only served to exacerbate relations at the inter-governmental level. Repeated failures to obtain any satisfaction from the Soviet side over propaganda led Henderson in 1931 to abandon the policy of remonstrances. Memories of 1924 and Conservative pressure dictated that the Labour Cabinet would be sensitive about Soviet propaganda throughout the Empire.

Without an absolute majority in the Commons, the Labour Cabinet were made aware of the strength of Conservative feeling on a number of issues, such as religious persecution, forced labour, and dumping. Despite the Labour movement's humanitarian traditions, the Cabinet were reluctant to actively intervene over the coercive methods used to implement the Stalinist transformation of Soviet society for fear of criticism and retaliatory action from the Soviet side. With dumping, the Government's predominant economic philosophy militated against any action. Nevertheless, on certain issues, such as the debts and claims negotiations, which were not always popular with the Labour back-benchers, Henderson did make serious efforts to reach a solution, but was met with a lack of accomodation from Moscow (1).

As under the Conservative Government, the Russian question came within the purview of other Ministers, and, although MacDonald and Henderson did have some differences of opinion, it was the intervention by Snowden and Graham which were to cause the

---

1. The evidence from the British archives does not support the contention of Kennan, op.cit. p.238, that under the second Labour Government 'nobody bothered any more about the issue of debts and claims'.



greatest intra-governmental differences and occasionally were to give Britain the appearance of speaking with more than one voice.

Henderson found the resolution of the bilateral problems personally frustrating. He complained to Dalton in December 1930 that 'if only it weren't for Russia, we should be having quite a good time at the F.O.' (1), and when he met Litvinov in May 1931 he felt it necessary to adumbrate the reasons (the debt negotiations, propaganda, trade turnover, and the Lena Goldfields affair) why he was 'extremely disappointed with the results of the re-establishment of relations' (2). The Foreign Office officials concurred, for Vansittart wrote in the same month: 'Russia is a hostile Power with which we wish to pursue friendly relations. It is a difficult task, and she goes out of her way to make it harder' (3).

The friction and frustration at the bilateral level did not auger well for co-operation and understanding at the international level, and there was never any

- 
1. Dalton Diaries, 3 December 1930.
  2. D.V.P. Vol XIV, Doc.No. 170. He made these complaints even though he had 'a warm place in my heart for Russia'.
  3. Memorandum by Vansittart, May 1931, C.P.317(31), CAB 24/225.

real contact of an enduring kind at the international conferences in which the two countries participated; the convergence of opinion on some issues, such as disarmament and the Pan-Europe Plan, was more apparent than real. To the Soviet Union, Britain was counted amongst the 'friendly' powers (1), in a Europe where France emerged as the main threat in the Soviet leadership's view. The decline in Britain's economic position was matched by a downward evaluation of Britain's political influence as France became the focus of Soviet interest. On the other hand, to Britain, caught between the widening chasm of France and Germany, the Soviet Union's 'negative influence' seemed hardly diminished.

After the fall of the Labour Government, Dalton summed up the experiences of the two years: 'No atmosphere of mutual understanding was created.... Yet, after making full allowance for our disappointments ...at the lowest, we succeeded in making Anglo-Soviet relations less unsatisfactory than they would otherwise have been' (2).

- 
1. See Litvinov's comments to the Italians, D.D.It. Vol IX, Doc.Nos. 411, 431. Molotov declared publicly in January 1931 that relations 'have developed normally with...England'. Degras, Soviet Documents, op.cit. Vol II, p.466.
  2. Hugh Dalton, 'British Foreign Policy, 1929-1931' in Political Quarterly, II, 1931, pp. 499-500.

## CHAPTER NINE: CHANGING ALIGNMENTS

In reviewing the international situation in May 1931 for the second of his 'old Adam' memoranda, Vansittart noted that 'above all, the worldwide economic depression of the last year has had all over the world its political repercussions' (1). This was to be no less true of Britain than of any other country. Moreover, the newly-formed National Government could find no radical solutions to the continuing financial and economic crisis. While the Cabinet spent 'days and nights of terrible anxiety' (2) attempting to solve these problems, little time was left for the consideration of policy questions not of immediate relevance to the purpose of the Government.

In the new administration, the post of Foreign Secretary was given to the Liberal Marquess of Reading, a noted lawyer and former Viceroy of India (3), but his term of office, which lasted barely two months, gave him little opportunity to master the

- 
1. Memorandum by Vansittart, May 1931, C.P. 317(31), CAB 24/225.
  2. Comment by Sankey, who was still Lord Chancellor, Diary Entry, 1 January 1932, Sankey Papers e.235. See also Christopher Thorne, The Limits of Foreign Policy, (London 1973 - paperback ed.), p.90.
  3. For his earlier career see Marquess of Reading, Rufus Isaacs, First Marquess of Reading, (London 1945). Austen Chamberlain was disappointed at not receiving the Foreign Office. Petrie, op.cit. p.382.

onerous details of the Foreign Office work or to stamp his mark on British foreign policy. Moreover, with the outbreak of the Manchurian crisis in mid-September 1931, he was forced to apportion a large measure of his attention to the Far Eastern developments.

In these circumstances neither Reading nor the Cabinet in general had any time or inclination to introduce any major new departures into Britain's Russian policy. Reading, sympathising in general with Henderson's beliefs that good relations with the Soviet Union could bring trade advantages as well as contribute to the general pacification of Europe, was prepared to leave the general lines of Henderson's Russian policy unchanged (1).

Despite the installation of the new Government, withdrawals of gold and foreign currency from London continued, and, with the news of the unrest at Invergordon, a renewed crisis of confidence in sterling occurred. The Bank of England was unable to maintain the gold parity, and on 21 September 1931

---

1. He described the 1927 rupture as a 'mistake'. Reading Papers (held in the India Office Library), Reading to Irwin, 27 October 1927, F118/107. He supported the 1929 resumption of relations. H.L. Deb. Vol 75, Cols 893-897.

Britain was forced to leave the gold standard, in effect causing a 30% depreciation of the pound as expressed in terms of gold or non-depreciated currencies. Although a devaluing country would expect an improvement in the overall balance of trade, principally through greater exports and fewer imports, in fact depreciation had 'little effect on the trade balance one way or another in 1931' and the benefits which did appear in 1932 were both temporary and slight (1). Nevertheless in the particular circumstances of Anglo-Soviet trade, the assessment of the British authorities immediately after devaluation was that the balance of trade should move towards Britain. Strang, in Moscow, argued that the Soviet Government were 'likely to have on their hands a balance of sterling bills which they will find both difficult and unprofitable to use for purchases outside Great Britain ...the result can hardly be other than substantially to increase the volume of Soviet purchases in England on a cash or credit basis' (2). When questioned on these points, Soviet diplomats admitted that there

- 
1. Derek H. Aldcroft, The Inter-War Economy: Britain 1919-1939, (London 1970), pp.269-285.
  2. D.B.F.P. II/VII, Doc.No. 145.

were difficulties for the Soviet foreign trade plans, but emphasised that an increase in orders placed in Britain was 'perfectly possible, if there were to be no more obstacles as regards credit terms' (1).

However, the specific question of credits to the Soviet Union was in the process of being examined as part of the Cabinet's reappraisal of Britain's financial commitments. On 6 October, Cunliffe-Lister, the President of the Board of Trade, explained to the Cabinet his misgivings over the large export credit commitments assumed by the Treasury, in view of doubts about the Soviet balance of payments situation. He suggested that once the Johnston-Gurevitch agreement had been completed (to date approximately £4 million out of £6 million had been utilised), 'in view of the world financial and economic situation, the length of credit to be given to any country should not exceed 12 months'. The deteriorating world economic situation served only to confirm the predisposition of Snowden, still Chancellor of the Exchequer, against long credits to the Soviet Union. After a short discussion the Cabinet approved Cunliffe-Lister's proposal for limit-

---

1. D.V.P. Vol XIV, Doc.No. 275; Strang to Reading, 17 October 1931, N7036/167/38, FO 371/15607.

ing the duration to twelve months and the Export Credit Guarantee Advisory Committee were so informed (1). Although the Cabinet decision was that the limitation should apply to credits for all countries, it was obvious that the impact would be greatest on trade with Soviet Russia, which was by far the largest beneficiary of the credit scheme (see Appendix Three).

Although not brought before the Cabinet, further attempts to follow up the tentative moves by the Labour Government to get into closer communication with the Germans over credit terms were made, but no tangible agreement resulted, mainly because the Germans feared that any equalisation of the credit terms, such as duration or insurance premiums, would only result in more orders from the Soviet Union being diverted from Germany to Britain (2). The British were still aggrieved that for credit such as those under the Piatakov agreement 'the guarantees of the German Government are given largely on the strength

- 
1. Cabinet Conclusions, 6 October 1931, 71(31)7, CAB 23/68; Minutes of Export Credit Guarantee Advisory Committee, 3 November 1931, E.C.G. 1/14.
  2. Foreign Office Memorandum, 19 October 1931, C7829/694/18, FO 371/15224.

of borrowed, and partly British, money' (1). Northern Department officials favoured extending these enquiries to other Western countries on a more official level, but both Vansittart and Reading disapproved, feeling that these enquiries could be open to misrepresentation, with political consequences for Anglo-Soviet relations (2).

Reading was not prepared to let the debts and claims negotiations drop out of consideration, and Bogomolov, the Counsellor to the Embassy, was told of Reading's hope that Sokolnikov, on his return from leave in Moscow, would bring back a scheme for a debts settlement (3), but the Russian made no mention of the scheme already drawn up; the Soviet side were playing for time, waiting to assess the effect of the financial situation on the new Government's credit policy, since credits were inextricably linked to a debts settlement in Soviet eyes.

In a period dominated by Britain's financial and economic difficulties the political dimensions of Anglo-Soviet relations were subordinate. The Labour

- 
1. D.B.F.P. II/VII, App.I. Conservative back-bench opinion on this point is expressed in Harold Macmillan, Winds of Change, 1914-1939, (London 1966) p.327.
  2. Minutes on Memorandum cited in footnote 2, page 357.
  3. D.B.F.P. II/VII, App. II(iii).



333

Cabinet's later policy of no representations over propaganda was continued, but a close watch was kept on communist activity within Britain. The Invergordon Mutiny in mid-September 1931, when naval ratings mutinied against proposed pay cuts, was depicted by some Conservative politicians and newspapers as the result of communist agitation (1). However, when Austen Chamberlain, now First Lord of the Admiralty, outlined to the Cabinet on 21 September the results of his investigations, he stated that 'the outbreak was purely naval and the Communists had been rather taken by surprise' (2). The Foreign Office had been considering the possibility that any evidence of Moscow's involvement might make representations necessary, and the Admiralty and the Home Office were asked whether any such evidence existed. The answers did not contradict Chamberlain's earlier assessment, and Vansittart noted that 'it is even now certain that the Communists were taken as much by surprise as everyone else, although they have of course done all they could to exploit that disastrous episode, once it had happened' (3).

---

1. For details see David Divine, Mutiny at Invergordon, (London 1970), and Stephen Roskill, Hankey, Man of Secrets, (London 1972) Vol II, pp. 554-559.
2. Cabinet Conclusions, 21 September 1931, CAB 23/90B.
3. Foreign Office Minute, 20 October 1931, N7109/4/38, FO 371/15593; Minute by Deputy Chief of Naval Staff, February 1932, file 87/31, ADM 1/8747.

For several days following the unrest in Invergordon the Daily Worker carried extravagant articles on the issue, until the Special Branch raided the offices of the newspaper on 25 September, arrested the printer and censored parts of the subsequent days' issues. The printer was given a sentence of nine months for breaking the Incitement to Mutiny Act, 1797 (1). The policy of prosecution, which had been seriously considered but ultimately rejected twice by the Labour Government, in May 1930 and May 1931, was now considered to be the 'most effective, indeed the only effective, weapon' available to check this organ's activities (2). However, even while the printer's trial was still in progress a member of the Northern Department noted that 'the Daily Worker is following closely the orders issued from Moscow, and sailing as near the wind as possible' (3).

---

1. Rust, op.cit. pp.22-23.
2. D.B.F.P. II/VII, App.I. In the Campbell Case in 1924 the Attorney-General favoured prosecuting the editor not the printer. The Labour Cabinet then decided that no prosecution of a political nature should be undertaken without Cabinet sanction, but this ruling was rescinded by the Baldwin Cabinet. The 1931 prosecution is not referred to in the Cabinet Conclusions. In June 1930 Ovey reported a conversation with Sokolnikov and Litvinov, who 'indicated that we, of course, had every right to treat a paper like the "Daily Worker" with as much firmness as we liked'. Ovey to Henderson, 7 June 1930, N4019/33/38, FO 371/14855.
3. Foreign Office Minute, 20 October 1931, N7109/4/38, FO 371/15593.

However, the Soviet press was notably restrained in its criticisms of the National Government; it was a period of marking time, as the publicly stated 'temporary' nature of the new Government, as well as the participation of Conservative politicians, inhibited Soviet policy-makers from making long-term predictions as to the course of Anglo-Soviet relations.

During the summer of 1931, while the main orientation of Soviet policy was still towards the Germans (a Protocol was signed in June extending the Treaty of Berlin) and relations with Britain remained in a state of 'suspended animation', the Soviet Union moved towards a limited rapprochement with France. To the Soviet Union, France had become a more formidable power than Britain by 1931; the effects of the world economic crisis had come later and with less severity in France than in Britain, Briand's activities over the anti-dumping front and the Pan-Europe Plan had shown him to be a 'strong man' in foreign policy, and France was the key to a possible Soviet-Franco-Polish settlement (1). The Franco-Soviet trade talks

---

1. Dyck, op.cit. pp.236-238. The head of the Western Department of Narkomindel told Strang that France was a 'more powerful influence in world affairs' than America, Britain or Germany. Strang to Reading, 16 September 1931, N6477/6477/38, FO 371/15625.

had soon brought an abrogation of the import restrictions, but had then foundered over plans to link credits with a repayment of debts, the crucial point in the Anglo-Soviet negotiations as well. However, a Non-aggression pact was initialled on 10 August 1931, but with the signature dependent on progress in Soviet negotiations with France's allies, Poland and Roumania (1).

A further important factor behind the Soviet decision to enter into negotiations with Poland in October 1931 was, as a Narkomindel official admitted to the Germans, a fear of complications in the Far East after the outbreak of the Manchurian Incident in mid-September 1931 (2). In contrast to the Soviet decision to undertake military action against the Chinese troops in 1929, on this occasion the military option was ruled out. So far as the exigencies of the Five Year Plan would allow, a defensive build-up of forces in the Soviet Far East was implemented; the Soviet press inveighed against the collusion of the major Western powers with Japan, whilst Soviet diplomacy was directed towards maintaining an attitude of neutrality towards the dispute (3).

- 
1. Scott, op.cit. pp.10-18; J. Néré, The Foreign Policy of France from 1914 to 1945, (London 1975), pp.155-157.
  2. Dyck, op.cit. p.243.
  3. Lensen, op.cit. pp.181-200; Nisso Koshoshi, op.cit. pp. 239-241.

383

In Britain, the political balance of the National Government was to be altered as MacDonald reluctantly agreed to Conservative requests for an election, in which the Government parties gained a landslide victory (1). In the reconstructed Cabinet, MacDonald endeavoured to retain a 'really national touch' by giving posts to the two major Liberal factions; Sir John Simon, like his predecessor a Liberal with a legal background, became Foreign Secretary. By no means as strong a personality as Chamberlain, Henderson or even Reading, his role in the Cabinet became more than of an agent to be given instructions rather than that of an initiator of policies, particularly as MacDonald maintained an active interest in foreign affairs (2). However, Neville Chamberlain, the new Chancellor of the Exchequer, also was to play an important role in foreign policy decision-making, often if only in a negative sense, as financial and economic aspects of Anglo-Soviet relations

- 
1. Snowden denounced the Labour Party programme as 'Bolshevism run mad'. The National Government won 556 seats to the Labour Party's 52, and both Henderson and Dalton were defeated. Marquand, op.cit. pp. 662-670.
  2. Middlemas and Barnes, op.cit. pp. 654-655; Marquand, op.cit. pp. 703-705; Thorne, op.cit. p.95.

remained important. Although Conservative-dominated, the Cabinet contained a broad spectrum of opinion, as was to become evident on the Russian question.

Soon after the Cabinet was formed, Chamberlain warned his colleagues that the already unhealthy trade balance was rapidly deteriorating, and the Cabinet, not without objections from the free-traders, began to implement piece-meal duties on various goods in order to reduce imports. Only the notorious agreement-to-differ kept the Cabinet together after a Cabinet committee, examining the balance of trade question, reported, in mid-January 1932, in favour of a general 10% ad valorem tariff on all imports except staple foodstuffs, principal raw materials and imports from the Dominions (1).

The Cabinet committee had specifically referred to Russian trade in relation to the overall balance of trade and this aspect was considered separately by the Cabinet on 27 January, together with Simon's report on the lack of progress in the debts negotiations. Simon had raised that issue with Sokolnikov in early December 1931, but the conversation had revolved fruitlessly around the content of the

---

1. Marquand, op.cit. pp.709-713; Cabinet Conclusions, 11 December 1931, 88(31)4, CAB 23/69; Report of Committee on Balance of Trade, 19 January 1932, C.P.25(32), CAB 24/227.

303

last Henderson-Sokolnikov meeting in July 1931, as the Russians tried to shift the onus for an initiative onto the British. After consultation with Walter Runciman, the President of the Board of Trade, Simon informed the Russians that he was reluctantly forced to conclude that 'it would be better not to continue the negotiations at the present time' (1). The Cabinet decided on further investigations into the Russian trade question (2).

The Russian trade question broke down into two different but inter-connected aspects: export credits and the fate of the 1930 Trade Agreement. In the late autumn of 1931, European and American observers began to question the Soviet Union's ability to service the growing foreign debt, as the retirement of maturing debts became difficult because of the decline in receipts from Soviet exports and of the unwillingness of current lenders, such as Britain and

- 
1. D.B.F.P. II/VII, App.II (iv), (v), (vi); D.V.P. Vol XIV, Doc.Nos. 368, 372. Litvinov wrote to Sokolnikov in December 1931 that 'the first word remains with Simon, who must either propose recommencing work in the committee of experts or announce the Government's agreement to linking debts with credits'. Ibid, Doc.No. 381. Simon chose a third course of action.
  2. Cabinet Conclusions, 27 January 1932, 9(32)7, CAB 23/70.

300

Germany, to renew or expand existing credits.

Against this background, however, there was some disagreement amongst the British experts as to the actual state of the Soviet Union's solvency. Picton Bagge, representing the Department of Overseas Trade, suggested that a Soviet default was 'fairly imminent', but Frank Nixon, from the Export Credit Guarantee Department, basing his opinions on his discussions in the City and in Berlin, was more optimistic that a default was unlikely in the immediate future (1).

The Foreign Office tended to be rather apprehensive about the situation, on the grounds of the considered opinion of the Embassy staff in Moscow that 'although there may be no immediate danger of Russia defaulting, the risk of granting credit to this country has increased appreciably in the past few months' (2).

On the other side of the problem, Seymour told an inter-departmental meeting that the Foreign Office welcomed 'any sound scheme for increasing British exports', but warned that any restrictions on imports from Soviet Russia or the cancellation of the Trade Agreement might lead to a reduction in Russian :

- 
1. Minutes of Inter-Departmental Meeting, 9 December 1931, N7939/324/38, FO 371/15612. For German views see D.B.F.P. II/VII, Doc.Nos. 146, 148.
  2. Ovey to Simon, 24 November 1931, N7648/167/38, FO 371/15607.



trade altogether. Fountain, from the Board of Trade, however, speculated that decisions at the forthcoming Ottawa Conference might 'very possibly mean that the Trade Agreement would have to be denounced' (1).

These two aspects of the Russian trade question also became the subject of some public debate during the autumn and winter of 1931, but Government representatives in the Commons refused to support any ideas of further restricting export credits or of denouncing the Temporary Trade Agreement (2). Soviet diplomats noted the growth in interest amongst Conservative back-benchers in these trade questions, but drew some comfort from the fact that these politicians, by way of contrast with a year or two earlier, argued only for an adjustment in the trade balance rather than for a rupture of relations (3).

The 1931 harvest in the Soviet Union was poor and significantly decreased the amount of grain available for export, even given the coercive collection methods; supply difficulties in the timber and petroleum industries compounded the difficulties. With export volume and export prices falling, the

- 
1. Minutes of Inter-Departmental Meeting, 9 December 1931, N7939/324/38, FO 371/15612.
  2. Coates, op.cit. p.411; H.C.Deb. Vol 259, Cols 89-90, 260, 478, 486-487.
  3. D.V.P. Vol XIV, Doc.Nos. 367, 373, Vol XV, Doc.No.88.

333

Soviet planners had no option but to reduce overall imports commensurately at the end of 1931 (1). In the autumn and winter of 1931, apart from using up the remaining amounts of the Johnston-Gurevitch credits, 'practically no Russian orders' were placed in Britain under the shorter credit terms delineated by the Cabinet (2), but, at the same time, the Politburo were considering increasing the proportion of British goods under the restricted import plan (3).

The course of their deliberations was influenced, no doubt, by signs of further developments in the British Cabinet's attitude. At the meetings of the Cabinet Committee on Trade with Russia a difference of opinion emerged between Cunliffe-Lister, now Secretary of State for the Colonies, who thought that the denunciation of the Trade Agreement, which he thought had 'few advantages', would make little difference to trade, and Runciman and Seymour (who represented the Foreign Office in Simon's absence), who felt that the Agreement had

- 
1. Dohan, op.cit. pp.622-625, 628-630. Litvinov wrote to Sokolnikov in December 1931: 'Both Narkomindel and Narkomvneshtorg are insisting on the greatest possible increase in the amount of orders for England, but you should take into consideration the general contraction in our import plan for 1932'. D.V.P. Vol XIV, Doc.No.381.
  2. Interim Report of Committee on Trade with Russia, 2 February 1932, C.P.61(32), CAB 24/228.
  3. Litvinov wrote that the directives on economic relations with Britain would be issued only 'after confirmation at the highest level' of the proposals put forward by the interested Commissariats. D.V.P. Vol XIV, Doc.No. 381.

389

certain advantages and that its denunciation might 'adversely affect our relations with Russia'. At Neville Chamberlain's suggestion no mention of the controversial question of denunciation was made in the committee's Interim Report, which recommended that suggestions should be invited from the Soviet Ambassador for 'remedying' the adverse trade balance, such as by utilising the sterling balances available (1).

With Cabinet approval given, Simon saw Bogomolov on 5 February 1932 and outlined the British viewpoint as detailed in the Cabinet committee's report, concluding that, in view of parliamentary and public criticism, the Cabinet could 'not continue to acquiesce indefinitely in the present state of affairs' and might be forced into 'taking steps' to attain the ends desired'. Bogomolov confined himself to saying that invisible exports and exports from the Dominions in fact considerably evened out the balance (2).

In the light of this conversation, Sokolnikov sent a long appreciation to Moscow. He noted growing

- 
1. Minutes of Committee on Trade with Russia, 28 January and 1 February 1932, CAB 27/480; Interim Report of this Committee, 2 February 1932, C.P.61(32), CAB 24/228.
  2. D.B.F.P. II/VII, Doc.No. 151; Cabinet Conclusions, 3 February 1932, 11(32)7, CAB 23/70; D.V.P. Vol XV, Doc.No. 68.

pressure on the Cabinet from Conservative newspapers and politicians, who were urging the denunciation of the Trade Agreement. Although even within the Cabinet there was a small group of 'Die-hards' who are 'generally striving to push Anglo-Soviet trade and political relations onto a sharply deteriorating path', such a policy was 'not at present accepted or approved by the Cabinet as a whole'. He assumed that the question of denouncing the Trade Agreement had been discussed, but that the threat of that action was being kept 'in reserve as a means of putting pressure on us'. His conclusion was that it was essential to prevent any 'straining' of Anglo-Soviet relations, by 'trying to find a basis for agreement with the government majority'; this could best be done by an increase in the orders being placed (1).

These considerations carried some weight, for at the end of February 1932, Nikolai Krestinsky, the Deputy Foreign Commissar, informed Sokolnikov that it had been decided 'to come to an agreement with the English over the whole range of our trade relations', and, following closely figures proposed by Sokolnikov, to place orders for £20 million of goods (of which

---

1. Ibid, note 67. Also Popov, Diplomaticheskie Otnosheniya, op.cit. pp. 21-22.

£5 million would be re-exports from the Dominions) provided that the British introduced no restrictions on the import of Soviet products and that credits for heavy machinery returned to their former duration (1).

On 3 March, Sokolnikov visited the Foreign Office, handed over a breakdown of the Soviet figures on Anglo-Soviet trade and stated the Soviet desire for 'a definite and substantial improvement in Soviet-British trade in both directions' (2). This response to Simon's representations was received with some satisfaction both by the Northern Department officials and by Ovey, who had made several personal representations to Narkomindel officials about altering the balance of trade (3).

The following week talks began between Nixon and Alexander Ozersky, the Soviet Trade Representative, who asked for approximately £12 million of credit for varying periods and accepted 'in principle' the idea of providing some security. After consultation with the Export Credit Advisory Committee, Nixon decided

- 
1. D.V.P. Vol XV, Doc.No. 96. Credit of two years was wanted for £9 million of heavy machinery orders.
  2. Ibid, Doc.No. 110; D.B.F.P. II/VII, Doc.No. 153. The Soviet estimate of invisible exports was £7 million, but the British were thinking in terms of £5 million.
  3. Ibid, Doc.Nos. 152, 155; minutes on ibid, Doc.No. 153, in N1395/22/38, FO 371/15593; Popov, Diplomaticheskije Otnosheniya, op.cit. p.69.

on a 'temporary expedient' whereby during the following six months orders for £4 million should be guaranteed. As the Soviet bills falling due during that period amounted to £1,600,000, that amount would in effect be 'revolved', with the remaining £2,400,000 being given on orders up to one year's duration (1). This proposal was approved by Major John Colville, the Parliamentary Secretary to the Department of Overseas Trade, and by Runciman, and was brought before the Cabinet on 20 April. MacDonald spoke in its favour, in view of its importance for the machine-tool industry, but a Cabinet decision was deferred because Chamberlain had not had time to study the proposal in depth.(2).

- 
1. D.V.P. Vol XV, Doc.Nos 88, 110, and notes 61, 78; Note by Runciman, 16 April 1932, C.P.134(32), CAB 24/229.
  2. Cabinet Conclusions, 20 April 1932, 24(32)1, CAB 23/71. The Russians speculated that the delay of over a month in the British reply to their proposal was due to the absence of leading Cabinet members, such as MacDonald and Simon. D.V.P. Vol XV, Doc. No. 195. MacDonald had an eye operation in early February and did not return to full Cabinet work until mid-April. Marquand, op.cit. pp.693-694. Both Runciman and Simon were abroad in early April, and had requested that the matter be deferred until their return. Memorandum by David Waley, member of Overseas Finance Section of Treasury, 9 April 1932, file F12930/1, T 160/446. However, the need to wait for Chamberlain, preoccupied with budget planning, to examine the proposals was the main reason for the delay.

010

The Cabinet Committee on Trade with Russia discussed the question again, but could reach no agreement other than that the credit issue and the denunciation of the Trade Agreement should be treated separately (1). On 27 April, therefore, the full Cabinet discussed the question again; the general mood of the Cabinet moved away from Runciman's proposals for the £4 million credit and towards Chamberlain's compromise proposal of replacing the expiring credits of £1,600,000 with 'fresh bills up to 18 months'. Runciman agreed to this proposal, but on the condition that he could bring up his wider proposals later. Even this cautious approach was unacceptable to Viscount Hailsham (formerly Sir Douglas Hogg), the Secretary of State for War, who objected on financial and industrial grounds against sanctioning these credits; only with his noted dissent did the Cabinet authorise the Treasury proposal (2).

The Soviet Embassy saw this limited British agreement to credits of only £1,600,000 (£900,000 for up to 18 months and £700,000 for up to 12 months) as evidence of two tendencies in the Cabinet, one wishing to denounce the Trade Agreement immediately, the other

- 
1. Minutes of Committee on Trade with Russia, 26 April 1932, CAB 27/480.
  2. Cabinet Conclusions, 27 April 1932, 25(32)7, CAB 23/71.

wishing to retain some freedom of action by postponing any decision on the trade question until after the Ottawa Conference scheduled for July 1932. The Russians derived some comfort from their assessment that the second tendency still predominated (1). British records suggest that opinion in the Cabinet was more diversified than a simple two-way split. Views ranged from that of Hailsham, who 'felt a strong objection on moral grounds to trading with what was virtually a slave State', through those of Runciman and Chamberlain, who differed over credits but who both hoped to bring about adjustments to the balance of trade through a re-negotiation of the Trade Agreement, to those of the Samuelite Liberals and MacDonald, who were definitely opposed to the denunciation of the Trade Agreement (2).

Outside the Cabinet, pressure for action over the Anglo-Soviet trade balance was growing during the spring of 1932. Colville received representations from several trading organisations, and in mid-February a meeting of Conservative back-benchers unanimously passed

- 
1. D.V.P. Vol XV, Doc.Nos. 207, 215.
  2. Cabinet Conclusions, 27 April 1932, 25(32)7, CAB 23/71; Minutes by MacDonald, June 1932, PRO 30/69/1/266, and by Sir Herbert Samuel, Home Secretary, 1 June 1932, PRO 30/69/2/12, both MacDonald Papers.



a resolution urging that 'immediate steps' be taken to end the Trade Agreement (1).

However, during the spring of 1932 the trade balance did very nearly even out as far as monthly totals were concerned; indeed, in April 1932 British exports to the Soviet Union totalled more than imports from the Soviet Union (2). A significant decrease in imports from the Soviet Union accounted for this change in the balance. With grain reserves depleted due to the high export levels of 1930-31, with a rapid growth of urban population and with the diversion of resources to a build-up in the Soviet Far East, the rural economy was 'squeezed' by coercive methods, but the poor harvest, disorganised supply systems and peasant opposition reduced the export totals. The excesses of the grain-procuring system were to lead to famine in several areas of Soviet Russia, notably in the Ukraine and the Caucasus, during the spring of 1932 (3). These internal difficulties rather than

- 
1. Coates, op.cit. p.420; D.V.P. Vol XV, note 60; Resolution of Parliamentary Committee on Trade and Industry, 23 February 1932, N1247/22/38, FO 371/16313.
  2. After adverse balances of £422,000 in January, £77,000 in February, and £104,000 in March, Britain had a favourable balance of £86,000 in April. Memorandum by Runciman, 6 June 1932, C.P.190(32), CAB 24/230.
  3. Nove, op.cit. pp.174-181; Dohan, op.cit. pp.625-626; Dana Dalrymple, 'The Soviet Famine of 1932-1934', in Soviet Studies, January 1964, pp.252-253, 264-265. Imports of Soviet oil and timber also decreased but not as drastically as grain imports.

deliberate policy decisions caused the reduction of Soviet exports to Britain in the early part of 1932. An element of deliberate design in Soviet policy (which undoubtedly did desire to prevent any deterioration in Anglo-Soviet political and economic relations which could result in the denunciation of the Trade Agreement) was apparent rather in the plans to increase orders in Britain.

A clear example of orders being placed for political effect was the increased Soviet purchases of Scottish herrings. Tsarist Russia had been an important market for the British herring industry, but, despite the endeavours of the herring industry in the 1920s, Soviet purchases had remained small. Only after the formation of the National Government did the Cabinet come to endorse the efforts made previously, largely through private approaches to the Russians from British M.P.s, to re-open the Russian market (1). Following up a small Soviet order in January 1932, which Sokolnikov had urged in order to ensure Liberal support, negotiations between Colville and Ozersky resulted in a larger order for 100,000 barrels of cured herrings in mid-June 1932 (2). Not without foundation,

- 
1. D.V.P. Vol XIV, Doc.Nos. 54, 328; Report of Economic Advisory Council, 27 December 1931, C.P.1(32), CAB 24/227
  2. The Conservative M.P. Boothby told the Russians that the January order had 'produced a favourable impression in political circles' D.V.P. Vol XIV, Doc.No.373, Vol XV, Doc.Nos.88, 262, and note 184; Memorandum by Colville, 13 May 1932, file F12930/2, T 160/446.

the Foreign Office saw these purchases as the result of serious Soviet alarm at the possibility of a denunciation of the Trade Agreement (1).

On the level of political relations, propaganda continued as an irritant though not, except in the Indian context, to the extent of former years. The British felt that the policy of prosecuting the communist press was more effective than repeated protests to Moscow; the India Office considered that that was the reason for the 'noticeable restraint in the tone of the articles appearing in the "Daily Worker"' during 1931 (2), while Ovey, looking back over that year, wrote: 'The volume of propaganda was apparently reduced to a considerable extent, while in all cases which might have appeared prima facie to call for a protest, the Soviet Government were in a position technically to disclaim all responsibility (3).

In Britain, the Communist Party had failed to capitalise to any significant extent on the growing unpopularity of the Labour Party during 1930-31, but, after the fall of the Labour Cabinet, party membership

- 
1. Foreign Office Minute, 4 July 1932, N4134/1/38, FO 371/16317.
  2. India Office Report, March 1932, included in N3392/132/38, FO 371/16325.
  3. Ovey to Simon, 1 March 1932, N1423/1423/38, FO 371/16337.

rapidly doubled. Nevertheless, the general election of November 1931 was another disaster for the Party, which was severely criticised by E.C.C.I. during the winter of 1931-32 for its failures (1). The National Government's line in their answers in Parliament was to continue to disparage the effectiveness of the communist movement inside Britain (2).

However, the role of communists in the Indian disturbances continued to come under careful surveillance by the authorities in Delhi and London. Gandhi had attended the Second Round-Table Conference in London from September to December 1931 and some progress appeared to have been made, but back in India the National Congress resumed the civil disobedience campaign, to which the Indian Government responded with a much harsher crackdown than in 1930 (3). The Indian authorities felt that 'communism as an organised movement has obtained no appreciable footing in India' (due, it was argued, to Government action such as the Meerut trial, the interception of communist

- 
1. Degras, Comintern, op.cit. Vol III, pp.219-220; John Stevenson and Chris Cook, The Slump, Society and Politics during the Depression, (London 1977) pp. 127-136; J.T. Murphy, New Horizons, (London 1941) pp. 297-304.
  2. H.C.Deb. Vol 263, Cols 1163-1164; H.L.Deb. Vol 84, Cols 104-105.
  3. Brown, op.cit. pp.282-304; Marquand, op.cit. pp.706-709.

newspapers and mail, and the deportation of foreign agitators rather than to 'any deliberate weakening of effort on the part of Moscow'), and they were aware that the Comintern propaganda was now characterised by 'persistent and unqualified condemnation' of the Indian nationalists (1), but, in the tense situation in the spring of 1932, the authorities were sensitive to any suggestion of communist involvement.

Consequently, Hoare, now Secretary of State for India, wrote to Simon about an article in Inprecor in March 1932 advocating armed insurrection in India. He considered this a 'flagrant breach' of the propaganda pledge; the Foreign Office officials were in agreement, but were reluctant to press the matter. Seymour summed up the view of the Northern Department:

'It may be desirable, for Parliamentary reasons, especially in view of the present state of affairs in India, that protests should be made, but we must realise in advance that it will have no effect unless we are prepared to threaten drastic action!'

Oliphant noted the wider considerations of British foreign policy:

- 
1. Imam, op.cit. pp.337-340; Hoare to Simon, 11 May 1932, and enclosed India Office Report, March 1932, N3392/132/38, FO 371/16325.

380

'My submission is that the present moment when Disarmament, China, etc. are up, and Ottawa is in the offing, is not the time to embark on a real set-to with the Soviet and a possible break involving as it might a series of developments' (1).

Simon decided to refer the question to the Cabinet, as he did not want to 'accept the sole responsibility' for the future course of action (2), but because of his commitments in Geneva, it was not until early May that the Cabinet discussion took place. The Cabinet, after considering the three possible courses of action suggested by Simon (to protest and receive the usual Soviet disclaimer of responsibility; to protest and, in default of satisfaction, to continue protesting up to a point at which a severance of relations might become unavoidable; to ignore present and future publications), were inclined to link the propaganda question with the wider question of trade relations, so they decided on representations to the Soviet Ambassador but with the problem of future action

- 
1. Inprecor, 10 March 1932; India Office to Foreign Office, 26 March 1932, N1917/132/38, FO 371/16325, and minutes on same.
  2. Memorandum by Simon, 7 May 1932, C.P.154(32), CAB 24/230. Anthony Eden, Parliamentary Under-Secretary to the Foreign Office, later wrote: 'Simon's brilliant, analytical mind hated to take decisions'. Earl of Avon, The Eden Memoirs, Facing the Dictators, (London 1962) p.28, passim.

to be examined by the Cabinet Committee on Trade with Russia (1).

When he saw Bogomolov on 24 May 1932 Simon reiterated the British view that the Soviet Government could not be dissociated from the Comintern's activities, and took the opportunity to express the Government's dissatisfaction over the state of Anglo-Soviet trade and over the Soviet attitude to the Lena Goldfields affair. He maintained that 'the atmosphere in Parliament was deteriorating' as regards these issues, and that there was 'an ever-growing belief that the resumption of relations in 1929 was a mistake'. Bogomolov replied on predictable lines, rejecting the idea of any connection between the Soviet Government and the Comintern, pointing out that the £1,600,000 credits resulting from the Colville-Ozersky negotiations would be 'used up in only a few weeks', and placing the blame for compensation difficulties on the 'unfounded claims' of the Company (2).

- 
1. Memorandum by Simon, 7 May 1932, C.P.154(32), CAB 24/230; Cabinet Conclusions, 11 May 1932, 27(32)2, CAB 23/71.
  2. D.B.F.P.II/VII, Doc.No.156; D.V.P. Vol XV, Doc.No.228. MacDonald minuted on Simon's report: 'They are playing with us but stick to them'. MacDonald Papers, PRO 30/69/1/325. In November 1931, on Reading's instructions, Ovey suggested £3½million as a compensation figure to settle the Lena claim, but not until April 1932 did the Soviet side make a counter-proposal of £1 million. D.V.P. Vol XIV, Doc.No. 337; Foreign Office Memorandum, 28 June 1932, N3943/149/38, FO 371/16326.

1382

Although the policy of representations had been reintroduced, no further steps were contemplated. The Cabinet committee devoted relatively little attention to the propaganda issue, and then only in relation to a possible denunciation of the Trade Agreement. It was argued that a denunciation could not 'worsen' the position as regards propaganda and might indeed enable the British 'by threats of economic pressure, to induce the Soviet Government to exercise more effective control over organisations such as the Third International' (1). MacDonald, the Cabinet member with the greatest experience of Soviet affairs, however, disagreed, arguing that 'whoever knows these men can have no doubt that it will greatly increase & not decrease the activities of the Third International' (2).

However, MacDonald's objections to the report of the Cabinet committee were not confined to its conclusions about propaganda but covered the general approach of the whole report. The committee recommended the immediate denunciation of the Temporary

- 
1. Third Report of Committee on Trade with Russia, 30 May 1932, C.P. 169(32), CAB 24/230.
  2. Minute by MacDonald, June 1932, MacDonald Papers, PRO 30/69/1/266.



Trade Agreement under the terms of the six-month notice required (rejecting the submission of the Foreign Office and the Board of Trade that it should be allowed to run on from month to month, subject to one month's notice) and the negotiation of a fresh treaty 'if and when opportunity offers'. Guided only by commercial considerations, the committee felt that, despite the Board of Trade's warnings as to the 'possible effects of restriction of Soviet imports', denunciation would

'by freeing our hands for negotiation with a monopolist purchaser, enable us to secure an adjustment of the trade balance, and this in the direction of increased exports from this country' (1).

A preliminary discussion of this report took place at the Cabinet meeting on 1 June, but in the absence of Chamberlain and MacDonald (convalescing after a second eye operation), MacDonald's reported 'serious apprehension' about the report's recommendations was sufficient to secure postponement of detailed discussions until the following week (2).

- 
1. Third Report of Committee on Trade with Russia, 30 May 1932, C.P. 169(32), CAB 24/230; Foreign Office Memorandum, 28 April 1932, N2925/22/38, and Memorandum by Board of Trade, 3 May 1932, N2717/22/38, both FO 371/16319; Minutes of Committee on Trade with Russia, 24 May 1932, CAB 27/480.
  2. Cabinet Conclusions, 1 June 1932, 30(32)5, CAB 23/71; Samuel to MacDonald, 1 June 1932, MacDonald Papers, PRO 30/69/2/12.

301

In the interval Runciman circulated a memorandum which pointed out the favourable change in the balance of trade during April 1932 (1).

At the Cabinet meeting on 8 June there was a considerable split of opinion over whether the moment was 'opportune' for a denunciation, with MacDonald and the Samuelite Liberals having the 'gravest objections' to any denunciation at all. No agreement could be reached, and 'in the light of the improvement in the balance of trade with Russia, the possible effects on trade and employment of giving notice of the termination of the Agreement, as well as the bearing of the question on the Ottawa Conference', the Cabinet accepted MacDonald's suggestion to refer the matter back to the Cabinet committee to be carefully watched and raised again when it was deemed advisable (2).

The Cabinet Committee on Trade with Russia had noted that a separate Cabinet committee, dealing with the policies to be adopted at the Ottawa

- 
1. Memorandum by Runciman, 6 June 1932, C.P.190(32), CAB 24/230.
  2. Cabinet Conclusions, 8 June 1932, 32(32)5 and 33(32)1, CAB 23/71. The only personal expression of opinion recorded was that of Hailsham, who was 'opposed to all Trade Agreements with Soviet Russia', but other views are clear from Minute by MacDonald, June 1932, PRO 30/69/1/266, and Samuel to MacDonald, 1 June 1932, PRO 30/69/2/12, both MacDonald Papers.

Conference, had examined the question of the Empire Wheat quota; 'quantitative restriction or complete prohibition', in that context, of imports of Russian wheat could only be enforced after the Trade Agreement had been denounced (1). However, MacDonald had induced the Cabinet not to make any decision on the denunciation of the Trade Agreement before the Ottawa Conference opened. Nevertheless, the preliminaries to the Ottawa Conference had made it clear that Russia would be one of the issues under discussion. The Canadians and the Australians gave notice that they would press for a boycott of Soviet wheat and timber entering Britain, and, it was only by agreeing that the question should be discussed, that the British managed to get the Canadians to omit the word 'Russia' from the published agenda (2).

By the spring of 1932, however, the Soviet side seem to have begun to realise that the Ottawa Conference might result in measures affecting Soviet exports to Britain, through the introduction of a system of quotas and preferences, and possibly through the denunciation of the Trade Agreement. The British

- 
1. Third Report of Committee on Trade with Russia, 30 May 1932, C.P.169(32), CAB 24/230.
  2. Drummond, op.cit. pp.90-94; Thomas to Bennett, 30 May 1932, Ministry of Agriculture and Fisheries file SS 10836, MAF 40/25.

decision on credits in April was seen as evidence of a British desire to avoid a definite decision on the trade question until after the Ottawa Conference (1). When Ozersky visited the Department of Overseas Trade in early July to enquire as to the likely situation after the £1,600,000 credit was used up, Colville and Nixon replied that they could give no definite answer and warned the Russian that he 'would be surprised probably to know how frequently the name of Russia appeared in connection with the preparatory work of the Ottawa Conference' (2). Soviet diplomats did not refer to the forthcoming conference in conversation with their British counterparts but some signs of apprehension and suspicion were apparent in the line adopted by the Soviet press, which came to concentrate on denouncing the imperialist aims of the Ottawa Conference (3). To the Russians, signs of greater collaboration between Britain and the Empire in the economic sphere, with probable repercussions for Anglo-Soviet trade, seemed to be the beginning of the construction of an anti-Soviet economic front.

- 
1. D.V.P. Vol XV, Doc.Nos. 195, 207, 215.
  2. Memorandum by Department of Overseas Trade, 12 July 1932, N4209/22/38, FO 371/16320.
  3. Izvestiya, 13 May 1932; articles in Inprecor, June-July 1932.

A conversation between Simon and Litvinov in Geneva on the very eve of the Ottawa Conference had the nature of shadow-boxing, since it revolved around two points of Anglo-Soviet friction, the balance of trade (which Litvinov said could be altered by increasing British exports by longer credits) and the Lena Goldfields claim (which Simon described as a 'thorn' which it should be possible to remove quickly before domestic pressure on him became overwhelming), without any mention being made of the Ottawa Conference and its possible effect on Anglo-Soviet relations (1).

By the summer of 1932 there was an atmosphere of expectation of change in Anglo-Soviet relations, but as yet no concrete developments. However, developments in the international arena during the first half of 1932 did affect the interests of both powers, but did not bring them significantly closer together.

In the Far East, the Soviet Union continued to strengthen her defences while pursuing a conciliatory diplomatic line, but Soviet-Japanese tension rose during the late spring of 1932 (2). The Soviet leadership

- 
1. D.V.P. Vol XV, Doc.No. 299; D.B.F.P.II/VII, Doc.No.158.
  2. Lensen, op.cit. pp. 362-380; Yoshizawa Kenkichi, 'Nisso Fukashin Joyaku, Manshu Jihen ni Kansuru Kaisodan', in Kokusai Seiji, No.33 (1966), pp.105-111.

maintained a suspicious attitude to the other Western powers, criticising France and Britain for 'participation in and development of the attack against China, jointly with Japan, preparing for a struggle against the U.S.S.R.', and refusing to assist in the work of the Lytton Commission, which had been set up by the League of Nations to investigate the Manchurian dispute (1). Although the possibility of a resurgence of the 'old bugaboo of Soviet policy in the Far East, an Anglo-Japanese alliance' could not be discounted by the Russians (2), they were, with some reason, more concerned about French rather than British links with the Japanese (3). The Manchurian situation was referred to in conversations between British and Soviet diplomats, but the level of contact did not

- 
1. Eudin and Slusser, op.cit. Vol I, pp.345-351; Degras, Soviet Documents, op.cit. Vol II, pp.529-530.
  2. Adam Ulam, Expansion and Coexistence, (London 1968), p.203.
  3. For Soviet suspicions of Franco-Japanese links, see Eudin and Slusser, op.cit. Vol I, pp. 348-349, Vol II, pp. 363-364; D.V.P. Vol XV, Doc.Nos. 76, 80. For Japanese soundings of France see Néré, op.cit. p. 158; Ministère des Affaires Etrangères, Documents Diplomatiques Français, Serie I, (Paris 1964 -) (hereafter cited as D.D.F.), Vol I, Doc.Nos. 8, 168; reports from Nagaoka Harukazo, Japanese Ambassador in Paris, to Tokyo, in J.F.M.A. file A.1.1.0.21-12-1-5.

exceed polite enquiry as to the other's attitude towards the dispute (1).

In the same way as the Japanese action forced the Soviet leadership to re-examine their defences, so too were the British forced to re-consider the relevance of the Ten Year Rule. In February 1932, the Chiefs of Staff argued that 'the whole of our territory in the Far East, as well as the coastline of India and the Dominions and our vast trade and shipping, lie open to attack' (2). Whereas in the 1920s the question of Imperial defence, above all the defence of India, had been considered in terms of a threat from Soviet Russia, now it was the sudden emergence of the Japanese threat that prompted the British decision to cancel the Ten Year Rule limitation. Paradoxically, the direct Soviet threat to Afghanistan and India was considered to have decreased; as Vansittart noted: 'I think we shall certainly be able to reassure the Afghans in regard to the inability of the Soviet Government to exercise real pressure now (a) because of the internal situation

- 
1. D.V.P. Vol XIV, Doc.No. 275; D.B.F.P. II/IX, Doc.Nos. 2, 86, 309, 593, II/X, Doc.Nos. 72, 149, 381.
  2. The Chiefs of Staff added: 'What the political reactions in India and the various colonies would be, we leave it to the experts to determine'. Cited in Howard, op.cit. pp.97-99.

in Russia, (b) because of their preoccupations in the Far East' (1). Although the Chiefs of Staff recommended a build-up of British defences in the Empire, the Treasury felt that more than ever financial constraints over-ruled vast military expenditure; the Cabinet decision in March 1932 to cancel the Ten Year Rule was tempered by the proviso that only strictly justifiable expenditure would be authorised (2).

The developments in the Far East were an unsatisfactory backcloth to the opening of the Disarmament Conference in Geneva in February 1932. The differences between the various powers were shown to be as intractable as ever. The Soviet Union again supported the German line, although there were signs that the policies of the two countries were no longer so well co-ordinated. There was little common ground between the British and Soviet delegations, although the Soviet delegation, in order to avoid charges of obstruction, ultimately agreed to a British proposal to proceed on the basis of the draft convention approved by the Preparatory Commission. In general little progress had been made when the Conference adjourned

- 
1. Minute by Vansittart, on Maconachie to Simon, 29 March 1932, N2579/713/38, FO 371/16277.
  2. Barnett, op.cit. pp.342-343; Note by Treasury, 11 March 1932, C.I.D. 1087-B, CAB 4/21.



in July 1932 (1). Franco-German differences could not be reconciled (at the end of the session the Germans threatened to withdraw unless the equality of rights was recognised), despite MacDonald's efforts in bringing about a limited settlement at the Lausanne Conference through the virtual abolition of reparations.

In this unstable European situation, the Soviet Union showed signs of moving slowly towards the French thesis of security. There was a distinct push in the June-July 1932 period to obtain a revival of the Franco-Soviet negotiations over commercial and non-aggression treaties (which received a favourable response from French Premier Eduoard Herriot in early August), and in late July a Soviet-Polish Non-aggression Pact was signed (2). The Soviet Union moved to conclude a succession of Non-aggression Pacts in the early part of 1932, with Finland in January, Latvia in February, and Estonia in May 1932 (3). The general opinion within the Foreign Office was that the conclusion of these pacts was a sign that the Russians 'are prepared to go to very great lengths to preserve peace, in order to retain complete liberty of action in the

---

1. Beloff, op.cit. pp.49-51; Helliar-Symons, op.cit. pp. 173-182.

2. Scott, op.cit. pp.56-64; D.V.P. Vol XV, Doc.Nos. 244, 298, 300, 301.

3. Ibid, Doc.Nos. 32, 41, 67, 201.

in the internal reconstruction of their country' (1).

The deteriorating state of Soviet-German relations was shown in Stalin's interview with a German author in December 1931, and the succession of Franz von Papen to the German Chancellorship in June 1932 increased Soviet distrust, but the Russians still tried to promote economic links (a further Soviet-German credit agreement was signed in June); one motive was to keep German-Soviet trade continuing even though Anglo-Soviet trade might be affected by developments at Ottawa (2). Although Ovey took one abstruse remark by Litvinov during a conversation in January 1932 to be possibly a hint about an Anglo-Soviet non-aggression pact (3), no definite proposal of this nature was put forward by the Soviet side.

During his conversation with Litvinov in July 1932, Simon had emphasised that he wanted to 'preserve friendly relations' with the Soviet Union, but that unless certain outstanding issues were 'cleaned up', pressure on him from both Parliament and the Cabinet

- 
1. D.B.F.P. II/VII, Doc.Nos. 149, 154; Ovey to Simon, 21 June 1932, N3841/1089/38, FO 371/16334.
  2. Kochan, op.cit. p.159; Dyck, op.cit. 242-251; D.V.P. Vol XV, Doc.Nos. 106, 168, 178, 200, 247, 250.
  3. D.B.F.P. II/VII, Doc.Nos. 147, 149.

would only increase (1). The period from the inauguration of the National Government until the eve of the Ottawa Conference was marked by a growing pressure for a re-adjustment of Anglo-Soviet relations on the economic level. Dissatisfaction with the Soviet exploitation of the Temporary Trade Agreement was amplified by the feelings of frustration and mistrust aroused by the Soviet attitude to other questions in Anglo-Soviet relations. Propaganda continued as an irritant, the debts and claims negotiations reached complete deadlock, no progress was made in settling the Lena Goldfields claim, and contact was limited in the discussion of the international problems of disarmament, the Manchurian crisis, and European stability.

To the National Government, preoccupations with domestic recovery reduced foreign affairs to a secondary role (2), and even amongst Britain's foreign policy problems Anglo-Soviet relations did not occupy a major position. The Cabinet were chiefly concerned with the economic aspects of the relationship on the occasions when they did discuss policies towards the Soviet Union. However, in contrast to the comparative unity over policy towards the Far Eastern crisis,

---

1. D.V.P. Vol XV, Doc.No.299.

2. Even the most important of foreign policy issues, the Far East, was only discussed once by the Cabinet between mid-September and mid-November 1931.

divisions in the Cabinet were clearly apparent over the Russian policy, and the opinions of both MacDonald and Neville Chamberlain carried weight in these discussions, the more so as Simon was more hesitant than his predecessors as Foreign Secretary in putting forward policy recommendations to the Cabinet.

The Russians watched with suspicion the role of the Conservatives in the Cabinet, especially after the November 1931 elections, but the lack of unanimity within the Cabinet was regarded as a factor likely to inhibit an open anti-Soviet policy. In Soviet eyes, the financial crisis lowered Britain's political importance in international terms, but relations with Britain still had an importance for the economic benefits which could be derived. For this reason, the Russians did make some limited proposals for orders to try to prevent adverse repercussions on their trading policies from possible British action. Faced with increasing social and economic disruption at home and with signs of growing instability in the international environment, in the Far East and in Europe, which seemed more likely to threaten the Soviet Union than bring about a revolutionary upsurge, Stalin moved slowly towards a limited

333

rapprochement with France and her allies, earlier  
the focus of Soviet enmity, rather than towards  
Britain. In the early summer of 1932 the Anglo-  
Soviet relationship had an atmosphere of 'marking  
time'.

## CHAPTER TEN: OTTAWA AND DENUNCIATION

The composition of the British delegation, headed by Baldwin, the Lord President of the Council, which set sail for Canada in July 1932, reflected the growing tendency within the Cabinet to regard protectionism as the answer to Britain's economic ills, but nevertheless the delegation was still committed to granting Imperial preference through the reduction of tariff barriers amongst the members of the Empire rather than through increasing tariffs against imports from other countries. However, the Dominions had continued to suffer since the previous Imperial Conference in 1930, the more so as their economies relied on the export of raw materials whose prices had fallen considerably. The result was 'hard-headed horse-trading between the delegations', with the difficulties compounded by the Canadian Prime Minister, Bennett, who was not only head of the Canadian delegation but insisted on acting as Chairman of the Conference, from which position 'he operated in a dictatorial and somewhat brow-beating fashion' (1).

- 
1. Balawyder, op.cit. pp.151-152; Watkins, op.cit. p.159; Lester Pearson, Mike, (Toronto 1972), p. 79. In the British delegation, 'the sole free-trader was Runciman, whose free-trade convictions by now looked distinctly battered'. Marquand, op.cit. p. 725.

Bennett regarded a flourishing Imperial trade as an antidote to dumping practices by other countries, and before the Conference opened he had served notice that he was opposed primarily to Soviet trading practices. This was reiterated in his opening speech to the Conference; it was a thinly-veiled denunciation of the unfair trading practices of certain foreign countries (unnamed but by implication primarily the Soviet Union) (1). The following day, at a meeting of one of the established committees, the Committee on Promotion of Trade within the Commonwealth, Bennett outlined his proposal that Britain should prohibit all imports from Soviet Russia. It was decided to refer to this problem again at the next meeting three days later (2).

During the interval the Dominions Office in London were informed that Bennett had raised the Russian trade question. The result was a hastily-convened inter-departmental meeting at the Board of Trade and a series of telephone calls to MacDonald,

- 
1. Frank Ashton-Gwatkin, Foreign Office observer at the Conference, to Vansittart, 27 July 1932, W8898/1167/50, FO 371/16408. The Foreign Office was not officially represented.
  2. D.Can.E.R. Vol 5, Doc.No. 62.

on holiday in Lossiemouth. Referring to the Cabinet decisions of early June, MacDonald said, 'Some of us will not agree to an old fashioned view of Russian trade, and at Ottawa there certainly can be no final decision on this subject, as it must be a Cabinet decision here'. A telegram to this effect was dispatched to Ottawa, and the reply received that 'it can be safely assumed that without further consultation no commitment affecting the previous (Cabinet) decision will be made' (1).

A full-scale discussion of the Russian trade question was held on 25 July. Bennett opened by enunciating the three aspects of the question as the Canadians saw it, namely, Soviet propaganda in Canada was being partially financed by sales of Soviet produce to Britain; 'labour conditions prevailing in Russia were tantamount to slavery'; and 'if preferential arrangements within the Empire were to succeed, it was essential to discover some method of safe-guarding inter-Imperial trade against unfair competition from Russia'. He received a considerable measure of support from Stanley Bruce, Australian High

---

1. Notes by Rose Rosenberg, MacDonald's Private Secretary, 24, 25, and 26 July 1932, MacDonald Papers, PRO 30/69/1/594.



Commissioner in London and head of the Australian delegation, who said that he would support 'any action to ensure that the Russian menace did not bring about disastrous results'. On behalf of the British delegation, Chamberlain endorsed the opinion that they should prevent Soviet Russia from 'spoiling (the) plan of preference or stopping a rise in prices by breaking markets', but he entered a caveat that the British did not wish to go further than was necessary, on the grounds that if they 'ruined Russia's export trade she might default on her debts to Germany as well as ourselves and so throw all Europe into chaos again'. At Bruce's suggestion a small sub-committee was set up to give further consideration to the question (1).

However, before this decision was implemented, the Russian issue became the subject of direct negotiation between the British and Canadian delegations. After talks with their advisers, the British delegation approved Chamberlain's idea for 'some very elastic arrangement' which would restore Britain's freedom of action and enable 'dumping and similar evils, whether practised by Russia or any other country' to be dealt with. Making it clear that no total prohibition on

---

1. D.Can.E.R. Vol 5, Doc.No. 64.

imports from Soviet Russia was feasible (in line with the June Cabinet decision), the British delegation presented their proposals to the Canadians (1). However, when a week later, on 4 August, the Canadians presented their counter-proposals, which were really only a slightly modified version of Bennett's original demand for an embargo on Soviet goods, the differences between the two delegations became more apparent. According to Chamberlain's diary, Bennett 'adopted a very aggressive tone... declaring that we had amongst our official advisers persons who were interested in the import of Russian fish and timber' (2).

Both sides retired to consider redrafting their proposals. From further talks between the two sides on 11 and 13 August, mainly about the import of Soviet timber, it became apparent to the British delegation that no trade agreement with Canada would be possible unless Bennett was satisfied about Russia, but also that the draft clause, by which 'special duties' would be imposed on any country trying to break the market, 'in effect meant that the Government would have

- 
1. Minutes of Meetings of British Delegation, 26 and 28 July 1932, CAB 32/101; N. Chamberlain Papers, NC 2/17, Diary Entry, 4 August 1932.
  2. Ashton-Gwatkin to Wellesley, 11 August 1932, W9507/1167/50, FO 371/16408; N. Chamberlain Papers, NC 2/17, Diary entry, 4 August 1932.

101

to fix a minimum price for timber', an 'impracticable and objectionable' suggestion (1).

At a meeting of the British delegation on 14 August, it was consequently decided to change the line of approach and press for a means of checking unfair competition by prohibiting the entry of particular classes of goods from any country pursuing deliberate 'price wrecking'. Although reference was made to MacDonald's views on Russian trade, the delegation apparently ignored the obligation to consult with the truncated Cabinet in London and agreed that Bennett

'should be informed that we should be prepared to exchange letters in which it would, in effect, be stated that in view of our treaty obligations we are not prepared to denounce our commercial treaties with other countries, that the only country to which he had referred as regards dumping was Russia,....and that we propose to take steps to denounce the agreement forthwith',

provided that no public statement was made (2). In his telegram to MacDonald the following day, Thomas explained: 'Notice to Russia to terminate existing agreement would be entailed but we should propose at the same time that new agreement should be negotiated

- 
1. Minutes of Meeting of British Delegation, 13 August 1932, CAB 32/102; N. Chamberlain Papers, NC 2/17, Diary entries, 11, 12, and 13 August 1932.
  2. Ibid, Diary entry, 14 August 1932; Minutes of Meeting of British Delegation, 14 August 1932, CAB 32/102.

in substitution for old', but without mentioning the plan for exchanging letters (1). There was no request for Cabinet approval and no Cabinet meeting was held in London (2).

For the following three days Chamberlain and Hailsham met with the Canadians to endeavour to settle the wording of the Russian formula. Although pleased with the idea behind the draft, the Canadians felt that 'it appeared to allow the present situation to be stabilised, i.e. that unless the Russians actually lowered the price we could not act, whereas present prices were impossibly low'. Bennett added that some of his Cabinet were 'suspicious' of Mac Donald and doubted whether the British delegates 'would in fact be in a position to carry out their undertakings on the subject when they returned home' (3). Subsequently, Hailsham and two Canadian Ministers stayed behind to thrash out the text of the formula. Agreement was reached, but the very next day, 18 August, Bennett sent the British delegation a new redraft of

- 
1. Thomas to MacDonald, 15 August 1932, MacDonald Papers, PRO 30/69/1/594. A copy was sent through the Dominions Office to the Foreign Office, and was seen by Simon.
  2. The Cabinet did not meet between August 4 and 27. MacDonald minuted on his copy of Thomas's telegram (which he read on the morning of 16 August) only 'how handled?'.
  3. N. Chamberlain Papers, NC 2/17, Diary entries, 15, 16 and 17 August 1932; Minutes of Meetings of British Delegates, 15, 16, and 17 August 1932, CAB 32/102.

the formula. At an argumentative meeting that afternoon the two delegations finally reached agreement on a suitable formula, which was incorporated into the Anglo-Canadian Agreement as Article 21(1).

The text read:

'This Agreement is made on the express condition that, if either Government is satisfied that any preference hereby granted in respect of any particular class of commodities are likely to be frustrated in whole or in part by reason of the creation or maintenance directly or indirectly of prices for such class of commodities through State action on the part of any foreign country, that Government hereby declares that it will exercise the powers which it now has or will hereafter take to prohibit the entry from such foreign country directly or indirectly of such commodities into its country for such time as may be necessary to make effective and to maintain the preferences hereby granted by it'.

Although the Article contains no specific reference to the Soviet Union, it was intended, as the Canadians were informed, that it should apply to that country alone (2). Canadian pressure had forced British concessions on two phrases which made the final Article tougher and broader in scope than the formula devised by Hailsham and the two Canadians the

- 
1. Minutes of Meetings of British Delegation, 17 and 18 August 1932, CAB 32/102; N. Chamberlain Papers, NC 2/17, Diary entries, 17 and 18 August 1932; Minutes of Meeting of British and Canadian Delegations, 18 August 1932, CAB 32/102.
  2. Minutes of Meeting of British Delegation, 14 August 1932, CAB 32/102; Note of Inter-Departmental Conference, 7 September 1932, C.P. 297(32), CAB 24/232.

104

previous day. The final formula omitted the words 'unduly low' in front of 'prices' and substituted merely 'prohibit' for 'regulate, restrict or prohibit' (1). The British pointed out that they could not guarantee that the Soviet Union would not evade the prohibition by selling timber through Finland. Bennett argued that the six months notice required for the termination of the Anglo-Soviet Trade Agreement would allow forestalling which could only be dealt with by a high temporary duty. The British rejected this 'preposterous proposal', and Runciman pointed out that the freezing of the north Russian ports in winter would effectively prevent forestalling (2).

Of the various inter-Imperial agreements signed on 20 August 1932, only the Anglo-Canadian Agreement contained a provision to prohibit low-priced goods, although the Australians later complained that a similar provision should have been included in the Anglo-Australian Agreement (3). The other Dominions

---

1. Minutes of Meeting of British Delegation, 17 August 1932, CAB 32/102.
2. Minutes of Meeting of British and Canadian Delegations, 18 August 1932, CAB 32/102; N. Chamberlain Papers, NC 2/17, Diary entry, 18 August 1932.
3. Bruce to Thomas, 10 March 1933, file C.R.T.4279/33, B.T. 11/211.

403

do not seem to have been interested in the Russian trade question to the same extent as the Canadians and Australians; Sir Atul Chatterjee, head of the Indian delegation, told Chamberlain that 'India was anxious to avoid a quarrel with Russia which might have awkward political results for her while she had little or no interest in Russian trade' (1). The series of bilateral agreements concluded revealed the Empire to be at cross-purposes. Since the Dominions had been specifically exempted from the tariffs introduced by Britain in February 1932, preference could only be extended to the Dominions by raising still further the tariffs on Britain's foreign imports. In return, British exports to the Dominions were granted preference, though largely by increasing tariffs against foreign goods rather than by reducing those on British goods. Thus, and this was the point that the Free-traders in the British Cabinet were to buck against, the greater liberalisation of inter-Empire trade meant an increase in restrictions against the rest of the world (2). On their return to London, Baldwin was to say that the British delegation 'worked with perfect unanimity

- 
1. N. Chamberlain Papers, NC 2/17, Diary entry, 24 July 1932. For comments of other Dominion representatives see D.Can.E.R. Vol 5, Doc.No. 64.
  2. Drummond, op.cit. p.103; Watkins, op.cit. pp. 151-153; Aldcroft, op.cit. p.293.

throughout', but there are indications from Neville Chamberlain's diary that Runciman in particular only grudgingly accepted some of the tariff measures (1).

There also appears to have been some differences of opinion amongst the British delegation over the specifically Russian trade question, with Chamberlain and Baldwin holding the centre-ground against Runciman and Hailsham on the opposing flanks. Chamberlain devoted a considerable amount of time and effort to the drafting and redrafting of the Russian formula, and the burden of negotiating with the Canadians fell on him and Hailsham; Baldwin recounted later: 'in my simple way I chose them because if they failed the Die-hards at home would know that it was not from half-hearted trying' (2). As it became apparent that the Russian trade issue could be the stumbling-block to an Anglo-Canadian agreement, 'the dangerous factor' as Chamberlain described it, the British delegation felt themselves under more and more pressure to concede points to the Canadians. As Baldwin reminded his colleagues on 28 July, agreement on the

- 
1. On 12 August Chamberlain noted: 'Throughout this discussion W.R.(unciman), was obviously ill at ease & the sense of disunity for the first time was oppressive'. Also entry for 4 August. N. Chamberlain Papers, NC 2/17, Thomas Jones, A Diary with Letters, 1931-1950, (London 1954), p.50.
  2. N. Chamberlain Papers, NC 2/17, Diary entries, 26 and 28 July, 3, 4, 11, 14, 15, 17 and 18 August 1932; Jones, op.cit. p.50.



Russian problem 'probably would do more to assist the success of the Conference than anything else', and ~~on~~ again on 13 August, 'it would be a serious matter if we failed to reach agreement with Canada on this particular issue' (1).

The patience of the British participants was strained to the limit by Bennett's behaviour. Chamberlain noted in his diary:

'I have no doubt now that Bennett is a sharper or a crook. I believe he has deliberately kept open the Russian question to the end because he believes that we dare not break with him on it...He is therefore under cover of this threat able to bluster defiance at every plea we put up and withdraw concessions already granted us' (2).

Although Bennett was known to be under strong pressure from protectionist elements in his party and from Canadian timber interests, he had consistently held strong views on the subject of Soviet Russia (as had been seen at the 1930 Imperial Conference) and 'attached great importance to action against Russia' (3).

Considerations such as these accounted for the desperate activity in the final days of the Conference and the concessions made by the British to the Canadians.

- 
1. Minutes of Meetings of British Delegation, 28 July and 13 August 1932, CAB 32/102.
  2. N. Chamberlain Papers, NC 2/17, Diary entry, 17 August 1932; Jones, op.cit. p.50.
  3. Balawyder, op.cit. pp. 138-139; Watkins, op.cit. pp. 162-164.

100

While the fate of the Trade Agreement was being decided in Ottawa, the depleted Cabinet in London reconsidered the question of export credits. At the end of July, Colville, aware of the falling off in British exports to the Soviet Union during May and June and having received representations from a few Conservative back-benchers and the Federation of British Industries urging an extension of credit facilities, proposed that credits for £2,400,000 be granted to make up the total of £4 million originally proposed in April 1932 (1). Although Sir Henry Betterton, the Minister of Labour, endorsed the proposal and brought it before the Cabinet on 4 August, Treasury opposition to more than £1,200,000 (of which most of the credit was to be for less than 12 months) overruled those Cabinet members who favoured Colville's suggestion for employment reasons (2).

While the Ottawa Conference was in progress the Soviet Government and even the Soviet press kept a very low profile in their comments, adopting what

- 
1. Memorandum by Colville, 29 July 1932, C.P. 267(32), CAB 24/232; Minutes of Export Credit Guarantee Advisory Committee, 28 July 1932, E.C.G. 1/15.
  2. Cabinet Conclusions, 4 August 1932, 45(32)9, CAB 23/72. The Financial Secretary to the Treasury, Walter Elliott, refused to commit the Treasury to more than the lower figure, in the absence of Chamberlain. Sankey noted in his diary on 16 August the difficulty of getting 'united decisions' with the Cabinet split between London and Ottawa. Sankey Papers, e. 286.

- 409 -

Strang described as an 'attitude of expectancy and reserve'. Similarly, in a conversation on 8 August, when Strang and Krestinsky covered several subjects, including the Lena Goldfields dispute, all mention of Ottawa was studiously avoided (1). However, a week after the conclusion of the Conference, Litvinov expressed some of the concern of the Soviet leadership about the 'anti-dumping clause in the Canadian agreement, which was of course aimed at the Soviet Union' and the 'preferential duties against wheat, timber and dairy produce (which) would obviously hit Soviet exports'. Nevertheless, Strang's general impression from this conversation and from information from other diplomats was that the Soviet authorities expected restrictions on British imports from the Soviet Union, but that they were 'not greatly perturbed for the immediate future' (2).

On the surface there may have been the 'little apparent anxiety' recorded by Strang, but, in reality the Soviet leadership were bound to be suspicious of the aims and results of the Ottawa Conference, especially as British and Canadian newspapers carried

- 
1. D.V.P. Vol XV, Doc.No. 310; Strang to Simon, 29 August 1932, N5089/22/38, FO 371/16320.
  2. Strang to Simon, 28 August, N5006/22/38, and 29 August 1932, N5089/22/38, both FO 371/16320; Inprecor, 8 September 1932.

rumours about a 'deal' over Soviet dumping. Soviet diplomacy was therefore called into action to forestall any wider affects from British possible action. Further courting of France and Germany was in evidence. In early August, the Russians received the French agreement to re-open the trade negotiations as had been requested by Moscow (although not until October did actual talks begin), and in late August the Soviet Ambassador in Berlin urged on the Germans an expansion of Soviet-German trade because the Ottawa Conference could cause an alteration in the balance of Anglo-Soviet trade (1). For the Soviet leadership there was always the preconception that action by the capitalist powers on the economic level could be complemented by action on the political level, and so any embryonic economic anti-Soviet front had to be disrupted.

Soviet foreign trade planning, however, was suffering from the dislocations in the Soviet domestic economy. By the late summer of 1932 famine had started to re-appear in rural areas, especially in the North Caucasus and Ukraine where the harvest

---

1. D.V.P. Vol XV, Doc.Nos. 308, 337, 346, 348.

111

yields were poorer than usual. Pilfering and concealment of crops occurred, stricter laws threatening the death penalty for pilfering and failure to deliver the grain for procurements were introduced, peasants and local party officials were arrested or purged, but there was an extensive failure to deliver the required grain and foodstuffs for export despite the coercive methods utilised (1). The extent of the famine and its toll in human and animal life was suppressed as far as possible by the Soviet authorities and was indeed to a large extent successfully concealed not only from world opinion but also from foreign diplomats in Soviet Russia and foreign visitors there. By 1932, the British diplomats were aware that the 1931 Soviet grain exports had been 'effected at the expense of the rank and file in Russia', but although the reports sent back from Moscow during the summer of 1932 talk of the 'shortage of food' and refer to stories of 'semi-starvation', the travel and information-gathering restrictions on the British Embassy staff hindered an accurate assessment of the situation (2).

- 
1. Nove, op.cit. pp.174-181; Conquest, op.cit. pp.45-47.
  2. Dalrymple, op.cit. pp.277-278; D.B.F.P. II/VII, Doc. No.159; Memorandum by George Paton, Commercial Counsellor to Embassy in Moscow, 13 July 1932, N4390/39/38, FO 371/16323; Ovey to Simon, 18 July 1932, N4398/38/38, FO 371/16322. Only later were certain foreigners, such as the journalist W. H. Chamberlain and Malcolm Muggeridge, able to visit the famine areas and provide more reliable estimates of the suffering during 1932-33.

Above noting that it would be a 'lean' year for Soviet grain exports, the British do not seem to have considered this domestic economic situation as a significant factor in assessing future Soviet trading policies and responses to action taken by themselves.

The return of the British delegation from Ottawa prompted discussion of the Russian trade question at both the Cabinet and departmental level. At a Cabinet meeting on 27 August, Betterton raised again the credit question, explaining the difficulties of working under the restriction that the majority of new credits should be for 12 months or less. Although during the discussion there was an incidental remark that the prolongation of credit guarantees would hardly be consistent with a denunciation of the Trade Agreement, the Cabinet agreed with MacDonald's call for a review of the credit situation. Subsequently, early in September, Runciman, with the approval of MacDonald and Chamberlain, agreed that the restriction be waived so that guarantees could be given for up to 18 months (1).

At an inter-departmental meeting on 30 August officials went through the details of the legislation

- 
1. Cabinet Conclusions, 27 August 1932, 46(32)1 and 46(32)4, CAB 23/72; Note by Export Credits Guarantee Department, 9 September 1932; PREM 1/124; Note by Runciman, 19 September 1932, C.P. 306(32), CAB 24/233.

for introducing the Ottawa Agreements and decided that the immediate denunciation of the Anglo-Soviet Temporary Trade Agreement was necessary to comply with Article 21 of the Anglo-Canadian Agreement (1). Despite the remark made by a colleague at the Cabinet meeting on 27 August and various press comments, apparently it was not until he read the report of this inter-departmental meeting that MacDonald 'fully realised that this Article of the Canadian Agreement involved the immediate denunciation of the Russian Treaty'. He told a meeting of senior officials on 7 September that he felt 'very uneasy' about Article 21, as 'the prospect of negotiating a new treaty that would give us satisfactory commercial terms while providing for the fulfilment of the Canadian Agreement was not encouraging' (2). Later the same day he received the approval of Chamberlain and Runciman that steps could be taken towards the denunciation of the Trade Agreement, but, refusing to be rushed, he asked the Foreign Office and the Board of Trade to prepare reviews of the possible repercussions of such a step,

- 
1. Note of an Inter-Departmental Meeting, 30 August 1932, C.P. 297(32), CAB 24/232.
  2. Note of a Conference, 7 September 1932, C.P. 297(32), CAB 24/232. After reading the references to denunciation in this report, Snowden wrote to Samuel: 'It is clear that there had been agreement with Bennett that this (denunciation) should be done'. Snowden to Samuel, 13 September 1932, Samuel Papers (held in the House of Lords Record Office, London) A/89.

which would be 'in substance and in effect a complete change in our economic relations with Russia' (1).

Before the question was brought before the Cabinet for a final decision, MacDonald was to lose from the Cabinet the small group (Snowden and the Samuelite Liberals) who were also reluctant to sanction a denunciation. This group of free-traders found that they could no longer reconcile their membership of the Cabinet with the policies encompassed within the Ottawa Agreements, and, to MacDonald's regret, their resignation was announced at the Cabinet meeting on 28 September 1932 (2). Although not a decisive issue, this group's dissatisfaction with the trend in the Cabinet's Russian policy was symptomatic of the differences between them and the rest of the Cabinet. In his resignation letter to MacDonald, Samuel explained that the Liberals regarded the proposed denunciation of the Trade Agreement with 'great anxiety', as 'it is likely to lead to still further loss to our export trade

- 
1. Note by Sir Warren Fisher, Permanent Under-Secretary to the Treasury, 31 August 1932, file C.R.T.5200/32, B.T. 11/102; Minute by MacDonald, 7 September 1932, PREM 1/138.
  2. Marquand, op.cit. pp. 725-730; Jones, op.cit. pp. 52-54; Cabinet Conclusions, 28 September 1932, 47(32)1, CAB 23/72; Sankey Papers, e.286, Diary entries, 28, 29 September 1932.



413

and increase in unemployment' (1). The publication of the letters of resignation and the subsequent broadcasts by the three ex-Ministers made it apparent to the general public and to the Soviet authorities that there was substance to the rumours that had been circulating since the end of the Ottawa Conference. Moreover, Sokolnikov was told by Snowden himself that 'the British delegation in Ottawa had taken on an obligation to denounce the Anglo-Soviet trade treaty immediately on their return' (2).

The statements made by the resigning Cabinet Ministers prompted Sokolnikov, in his final meeting with Simon on 6 October 1932 on the eve of his return to Moscow, to inquire as to their meaning. Simon said that the Government should not be held responsible for these statements, but admitted that the question of the denunciation of the Trade Agreement was now being 'carefully' considered. He urged that, in the meantime, a more favourable balance of Anglo-Soviet trade and a prompt settlement of the Lena Goldfields dispute would 'improve the situation'. From what is known of Sokolnikov's report to the Narkomindel, his impression

- 
1. Samuel to MacDonald, 16 September 1932, C.P. 312(32), CAB 24/233.
  2. The resignation letters were published in Manchester Guardian, 29 September 1932, and Snowden's radio broadcast is in ibid, 1 October 1932. Also Popov, Diplomaticheskiye Otnosheniya, op.cit. p.69.

410

from Simon's words was that the denunciation was not an imminent possibility; furthermore, Simon apparently stated: 'Samuel and Snowden are misinterpreting Article 21. The abrogation of the present agreement in order to work out a new one in connection with Article 21 was not pledged' (1). This was another case of misunderstanding (or possibly of Simon being non-committal to the point of being misleading), but subsequent events showed that the Narkomindel attached importance to this report from Sokolnikov.

Litvinov's questions and comments to Ovey a fortnight later showed that the Russians interpreted the Simon-Sokolnikov conversation as signifying that the issue of the denunciation of the Trade Agreement was still open (2). There seem to have been signs of some confidence about the future in Litvinov's briefings to the new Soviet Ambassador in London, Ivan Maisky, before his departure. Litvinov told Maisky that there were 'no serious difficulties between England and Soviet Russia - neither territorial, political nor economic'

- 
1. D.B.F.P. II/VII, Doc.No. 163; D.V.P. Vol XV, note 275. At the Cabinet meeting on 28 September, MacDonald had asked for the question of denunciation to be brought up 'at an early meeting'.
  2. D.B.F.P. II/VII, Doc.Nos. 166, 171; D.V.P. Vol XV, Doc.No. 411.

- 417 -

and that the two countries were 'even mutually complementary' as regards trade. He added that, although friction and misunderstandings occurred, these were minor problems, for 'on the level of purely governmental relations, England and the U.S.S.R. have nothing to argue about' (1). Ovey later reported that when Rosengolts, the Commissar for Foreign Trade, warned Litvinov about the difficulties in placing orders in Britain in view of the imminent possibility of the denunciation of the Trade Agreement, the Foreign Affairs Commissar reportedly had replied that this was only a 'threat' and that he should carry on as usual (2).

However, the Cabinet were giving the question active consideration. Only two days after Simon's talk with Sokolnikov, Runciman circulated to his Cabinet colleagues a long memorandum, based on an amalgamation

- 
1. Ivan M. Maisky, Vospominaniya Sovetskogo Posla v. Anglii, (Moscow 1960), pp.11-12, Ovey thought the reason for Sokolnikov's withdrawal was that his 'somewhat cold and reserved nature prevented him from getting into any close touch with governing circles in the United Kingdom and was thus detrimental to his country's interests'. Ovey to Simon, 20 October 1932, N6160/5131/38, FO 371/16339. Beatrice Webb described Maisky, who was in Britain in exile in 1912-1917 and as Counsellor to the Soviet Mission in 1925-1927, as 'a more accomplished diplomat and less ardent Communist than Sokolnikoff'. Webb Diaries, 24 November 1932, I.46.
  2. D.B.F.P. II/VII, Doc.No. 171.

of drafts prepared by the Board of Trade and the Foreign Office. Noting that the Cabinet Committee on Trade with Russia had recommended in May 1932 that the Trade Agreement be denounced and that action had been deferred until after the Ottawa Conference, the results of which now made a decision imperative, Runciman continued:

'In view of the commitment in the Ottawa agreement, we must denounce the Commercial Agreement of 1930, and it need not be anticipated that such action would necessarily have serious consequences for our trade. As to the next step, it is suggested....by the Foreign Office that we could offer to replace the present agreement by an exchange of notes continuing the provisions of the Fisheries Agreement and giving the Soviet Government the right to maintain a Trade Delegation in London, which is in the interests of both countries. On the basis of such a modus vivendi we could allow matters to develop for the time being, trusting that self-interest and the fear of restrictions on their exports will make the Soviet Government continue to take our goods to the same extent as in the past, viz: insofar as the prices and credit facilities offered make purchases here convenient'.

The Board of Trade's confidence was based on apparent Soviet dependence on the British market as an important source of exchange, on which the Soviets were reliant for meeting their maturing obligations. Runciman therefore proposed denouncing the Trade Agreement and offering to 'enter into negotiations...as to the situation thus arising', as it was certain that the

- 419 -

Soviet side would ask for a fresh agreement, so giving the British side an initial tactical advantage which could be utilised in the subsequent negotiations to secure 'some improvement' in the balance of trade. Failing any wider arrangement, the British side could fall back on the temporary arrangement proposed by the Foreign Office (1).

The Cabinet agreed on 12 October 1932 to the policy advocated by Runciman, with the only recorded expression of opinion being that of MacDonald himself:

'The Prime Minister, who did not conceal his suspicions of Bolshevik activities, nevertheless felt some reluctance in denouncing the Agreement in the present very serious economic condition of the country....He was only able to agree to the denunciation of the Russian Trade Agreement on the grounds that he was given to understand it was essential from the point of view of the Ottawa Agreements, by which he intended to stand'.

He may well have been a lonely voice in the Cabinet (2). It was intended that the denunciation should take place before the House of Commons debate on the Ottawa Agreements on 18 October, but Colville requested that it be delayed as long as possible as he was hoping to conclude

- 
1. Memorandum by Runciman, 8 October 1932, C.P. 337(32), CAB 24/233.
  2. Cabinet Conclusions, 12 October 1932, 52(32)4, CAB 23/72.

120

a deal with the Russians over Scottish herrings, so it was not until 17 October that the formal note denouncing the Trade Agreement with effect as from April 1933 was handed to Bogomolov. In the final paragraph of the note, the Foreign Office draft of 'are prepared to enter into negotiations for a new agreement' was altered by the Board of Trade to comply with the Cabinet decision by reading:

'His Majesty's Government....remain anxious for the furtherance of trade between the two countries, and are prepared with this object to enter into discussions upon the situation created by the denunciation of the temporary commercial agreement at the earliest moment convenient to the Government of the Soviet Union' (1).

The first public explanation of this decision was unfortunate in that Thomas used particularly emotive language in describing the necessity for Britain to be 'in a position to discriminate by prohibition' against imports from certain countries, against 'the dumping of sweated goods' (2). So, two days later, Baldwin had to explain to the Commons that it was not the British intention to stop trade with the Soviet Union, rather to rectify the defects in a 'one-sided' agreement, for which a new agreement could be substituted (3).

- 
1. D.B.F.P. II/VII, Doc.No.165; H.C.Deb. Vol 269, Cols 1680-1687; Foreign Office Minute, 14 October 1932, N5821/22/38, FO 371/16320.
  2. H.C.Deb. Vol 269, Cols 10-12.
  3. Ibid, Cols 449-450.

In Moscow, Ovey had conversations with Maisky, two days before his departure for London, on 18 October, and Litvinov on 19 and 22 October. Maisky saw the British action as hampering his task in London, while Litvinov, evidently surprised at the timing of the denunciation, was 'depressed and pessimistic'. Even though Ovey referred reassuringly to Baldwin's House of Commons statement, Litvinov remained pessimistic during their second meeting. He suspected that there were political motives for the British action and said that he felt sure that a diminution of trade would result. He ended by saying that his comments were 'a pale reflection' of the feelings of the Soviet Government (1). Inspired critical comment was noticeable in the Soviet press, which depicted the denunciation as being caused by 'Die-hard' influences and stressed that the Soviet side would not readily make concessions (2).

In fact, despite the loud propaganda outcry against the denunciation, there were signs of 'a

- 
1. Maisky, op.cit. pp. 5-6; D.B.F.P. II/VII, Doc.Nos. 166, 169, 171; D.V.P. Vol XV, Doc.Nos. 411, 415.
  2. Izvestiya, 21 October 1932; Pravda, 21 October 1932; D.B.F.P. II/VII, Doc.Nos. 167, 170.

122

paralysis of leadership' on the Soviet side (1). The limited evidence available suggests that in October 1932 the Politburo was split over how to deal with a group, the Ryutin group, which was in opposition to Stalin's demand for Ryutin's execution, which would have meant the introduction of policy terror into the ranks of the Party itself. This conflict, in which Stalin seems to have been outnumbered, may well have slowed down the Soviet decision-making process (2).

Only on 3 November did Deputy Foreign Commissar Krestinsky write to Maisky informing<sup>him</sup> of the Soviet Government's decision, which was merely that no reply would be given to the British note. The basis of this decision was the feeling that the British Government, under pressure from industrialists and their own economic needs, would be forced after an interval of time to repeat the proposal about negotiations 'in a more definite and appropriate form'. Although well aware of Baldwin's Commons statement, Krestinsky explained that 'if we were now to declare

- 
1. G.R. Owen, 'The Metro-Vickers Crisis: Anglo-Soviet Relations between the Trade Agreements, 1932-1934', in Slavonic and East European Review, January 1971, p. 96; D.B.F.P. II/VII, Doc.No. 172.
  2. Schapiro, op.cit. p.29; Conquest, op.cit. pp.51-57.



our readiness to begin negotiations, then this would create the impression that we so valued trade with England that we would quietly swallow the denunciation of the trade treaty and Thomas's infamous comment on the denunciation'. The Russians assumed that time would work in their favour; meanwhile Maisky and Ozersky were to utilise this 'waiting' period to sound out opinion amongst British governmental and business circles (1). The initial Soviet response was not that anticipated by the Cabinet, for there was no request for a new agreement.

Just a week after the British notice of denunciation there arose an issue which, while not exclusively an Anglo-Soviet problem, demonstrated the tension in the relationship in the aftermath of the British action. The sudden transfer of the provisioning of foodstuffs and other necessities for the diplomatic corps in Moscow from the special Isnab shops to the Torgsin organisation, which accepted payment only in foreign currency, prompted both Dirksen, the doyen of the diplomatic corps in Moscow,

---

1. D.V.P. Vol XV, Doc.No. 425. Ozersky, who had been on leave in Moscow from August until 12 October, suddenly returned to Moscow on 24 October, returning to England again on 7 November.

and Ovey to make representations to the Soviet authorities. This change was prompted by the Soviet desire to obtain more foreign currency to help ease balance of payments problems, but the friction caused by the protests from Ovey, who was personally very annoyed about the matter, and Litvinov's stubbornness in reply was symptomatic of the disturbed state of Anglo-Soviet relations (1).

Soon after his arrival in England Maisky began carrying out his instructions to widen contacts with interested British circles. On 11 November he visited Simon and pointed out the vagueness of the terms 'discussion' and 'situation' in the British note. Simon replied that no discrimination against the Soviet Union was intended, that the denunciation was the result of British dissatisfaction with the most-favoured-nation clause in its existing form and of the British desire to achieve a better balance in Anglo-Soviet trade, and that, in fact, the British Government were proposing beginning 'negotiations' for a new trade agreement (2). In this statement, therefore, Simon, confident of the British position

- 
1. Dirksen, op.cit. p.126; Beloff, op.cit. p.29; D.V.P. Vol XV, Doc.Nos. 431, 434, 471.
  2. Ibid, Doc.No. 434; Maisky, op.cit. pp.26-29; D.B.F.P. II/VII, Doc.No.176.

vis-a-vis the Russians but at the same time concerned to reassure them about British intentions, abandoned Runciman's recommended tactics (to force the Soviet side to propose negotiations) and made a more definite proposal to the Soviet side.

British confidence at that time was expressed fully in a long memorandum prepared by Strang in early November 1932. He argued that the denunciation must have been disturbing to the Russians because not only had they lost an advantageous and model agreement but also repercussions would be felt in their commercial negotiations with France and the United States. He concluded:

'Orders in Great Britain might, quite apart from the question of America, be reduced for a time, both as a result of financial stringency and as a demonstration against the denunciation of the treaty. But in the end our position as the Soviet Union's best customer would probably prove decisive, if used in the right way, and orders would begin to be placed with us again'.

Ovey <sup>in</sup> ~~to~~ Moscow and the officials in the Foreign Office endorsed this assessment. The British side felt that economic leverage could be successful in obtaining their objectives (1).

---

1. Ibid, Doc.No. 173.

On 15 November Maisky visited MacDonald and Runciman, who both expounded the British viewpoint on the balance of trade and the most-favoured-nation clause; Runciman added that he was prepared to use the existing Trade Agreement as a basis for negotiation (1). The following day Maisky met Chamberlain, who described Canadian pressure on Britain at the Ottawa Conference and said that a modification rather than abolition of the most-favoured-nation clause might be acceptable. He repeatedly emphasised that the denunciation had been motivated entirely by commercial not political considerations (2).

However, on reading the report of this conversation, the Foreign Office officials were far from satisfied with the line taken by Chamberlain, and, in the absence of Simon in Geneva, Vansittart authorised the circulation to the appropriate Cabinet Ministers of the Foreign Office's counter-considerations, which endeavoured to make it clear that 'while the Ottawa pledge was the immediate cause of our action, we had long been dissatisfied with the agreement because our experience had shown that the whole idea of a most-favoured-nation agreement was out of place'. The

- 
1. Memorandum by MacDonald, 15 November, N6617/22/38, and Memorandum by Runciman, 15 November 1932, N6806/22/38, both FO 371/16321; D.V.P. Vol XV, Doc.No. 440; Maisky, op.cit. pp. 29-32.
  2. D.V.P. Vol XV, Doc.No. 441; Maisky, op.cit. pp. 32-39; Note by Chamberlain, 16 November 1932, N6619/22/38, FO 371/16321.

127

Foreign Office argued that 'the threat of exclusion from the British market, indeed, is the one effective weapon at the disposal of H.M.G. in the negotiations; but it must be a threat of complete exclusion....and not merely a statement that the most-favoured-nation clause must be modified' (1). Having made it clear to the Russians that they were genuinely prepared to enter into new negotiations, the Foreign Office officials now, however, were determined to adopt a strong stance in the future. Although the British endeavoured to keep these economic matters separate from the political relationship, repercussions were felt on that level too with a revival of the propaganda issue.

At the Twelfth Plenum of E.C.C.I., which opened in Moscow on 27 August 1932, Kuusinen had made the keynote speech, in which he stated that the relative stabilisation of capitalism had ended but noted that 'there is not yet an immediate revolutionary situation in the most important and decisive capitalist countries'. Although Britain was later described as a 'living example of the bankruptcy of the idea of prosperity for a country pursuing an imperialist, predatory policy',

---

1. Foreign Office Minute, 22 November 1932, N6973/22/38, FO 371/16321; Minute by Chamberlain, 28 November 1932, Treasury file T 172/1792.

the British Communist Party was attacked for its sectarian approach and lack of success. It was instructed by the Plenum to intensify its efforts amongst the trade unions and the unemployed movements (1). The growth of unemployed movements in Britain, especially the National Unemployed Workers Movement, had been particularly noticeable during 1931, and continued during 1932 as 'hunger marches' were organised (2). By way of contrast, the membership of the British Communist Party declined during 1932, and although communists were involved in the leadership of several of the unemployed movements, the Cabinet's enquiries during the autumn of 1932 did not lead them to alter their earlier conclusions that the communist danger inside Britain was on the wane (3).

The Twelfth Plenum paid less attention to the Comintern's activities in the East than usual, although the situation in India was characterised as one of 'an increase in revolutionary unrest in the towns and villages' and tasks were set out for the

- 
1. Eudin and Slusser, op.cit. Vol II, pp. 379-385, 486-488, 499-503; Degras, Comintern, Vol III, p.229.
  2. Stevenson and Cook, op.cit. pp. 145-153, 166-181.
  3. H.C.Deb. Vol 269, Cols 274-280; H.L.Deb. Vol 86, Col 411; Stevenson and Cook, op.cit. pp.220-223, 227-233; Minutes of Cabinet Committee on Hunger Marchers, 29 November, 7 and 14 December 1932, CAB 27/497.

communists in India (1). However, the action of the Indian authorities had restored law and order in India, so that, speaking in the House of Lords in December 1932, the Marquess of Londonderry, the Secretary of State for Air, was able to state that 'the recent improvement in conditions in India give(s) grounds for the belief that the measures taken to prevent this propaganda from having serious results have not been ineffective' (2).

Inter-governmental controversy, therefore, was not revived by the Plenum's pronouncements as such, but by a speech by Manuilsky to the Moscow branch of the Communist Party, in which, during his analysis of the Plenum's decisions, he made references to Stalin as the leader of the Comintern and predicted civil war in India. These comments were picked up in the British press, and, when on 9 November a Conservative peer gave notice that he would raise the matter in the Lords, Simon telegraphed to Ovey, asking for details of the speech and 'particularly whether it contains more than usual evidence of connexion between Comintern

- 
1. Eudin and Slusser, op.cit. Vol II, pp.492, 497; McLane, op.cit. pp. 144-146.
  2. H.L.Deb. Vol 86, Col 412; Brown, op.cit. pp. 290-291.

and Soviet Government' (1). Ovey's telegraphed summary, on 11 November, showed that Manuilsky's speech was not untypical; as such, as MacDonald later told the Cabinet, 'I would not have proposed that special notice should be taken of it, had it remained an isolated phenomenon' (2).

While the appropriate course of action was still under discussion by the Foreign Office, the tenor of the response was altered by a report and editorial in 13 November issue of Izvestiya, which purported to be information from its London correspondent outlining the Foreign Office's demands to British agents to provide documentary 'fabrications' to support British claims about the Comintern. Both the report and the editorial were clearly based on a 'garbled reading' of Simon's telegram of 9 November (sent in a non-confidential code) to Ovey (3).

In Moscow, Ovey had immediately telephoned to the Narkomindel and spoken to a senior Narkomindel official who stated that although the Narkomindel were convinced that neither the British Government nor Ovey

- 
1. Pravda, 2 November 1932, Times, 8 November 1932; D.B.F.P. II/VII, Doc.Nos. 174, 175.
  2. Memorandum by MacDonald, 21 November 1932, C.P. 405(32), CAB 24/235; D.B.F.P. II/VII, Doc.No. 175 and minutes in N6478/470/38, FO 371/16332.
  3. Izvestiya, 13 November 1932; D.B.F.P. II/VII, Doc. Nos. 177, 178.



himself could possibly stoop to falsifying reports, the Soviet Government could not control Izvestiya and would not exercise any influence on it (1). Ovey decided to await instructions from London before going to see Litvinov personally, but his suggestion was that a 'strong initial protest' was essential, together with 'one further categorical assurance' that Britain's policy was to promote stable economic relations (2).

The Soviet decision to intensify the propaganda campaign through the Soviet press was counter-productive, as it worsened the atmosphere of Anglo-Soviet relations at a time when the British were taking particular care not to escalate the disputed issue beyond that of simply expediting commercial negotiations. Stalin's personal crisis at this period is one possible explanation for the miscalculations in Soviet policy (3).

The British line hardened by comparison with the May 1932 protest, and when MacDonald brought the

- 
1. Ibid, Doc.No. 180.
  2. Ibid, Doc.No. 183. Simon was absent in Geneva from 13 to 26 November, so MacDonald and Vansittart played the leading roles in determining the British responses.
  3. On 7 November 1932, Stalin's wife, Nadia Alliluyeva, committed suicide. For several days after the event, Stalin 'was in a state of shock...He had sporadic fits of rage'. Svetlana Alliluyeva, 20 Letters to a Friend, (London 1968 - Penguin ed.), p.102.

102

issue before the Cabinet on 23 November he endorsed Ovey's opinion that a strong protest, linked with an assurance about trade relations, should be made. MacDonald advocated that the Soviet Government should be required to 'take steps to ensure that no further remarks of the kind made by Manuilsky are made in the future' and to 'apologise for the language of Izvestiya, which was quite unprovoked' (1).

The Cabinet agreed to this policy, and on 28 November, after his return from Geneva, Simon saw Maisky and outlined to him the nature of the two statements required from the Soviet side, adding that if the Soviet Government wished the trade questions 'to be discussed in the usual manner as between Governments in friendly relations' they must comply with the British requests (2).

Simon's conversation with Maisky and Ovey's stormy conversation with Litvinov, on 3 December, dispelled any illusions the Soviet side had that the British would be content merely with an official protest against the anti-British campaign. Ovey

- 
1. Memorandum by MacDonald, 21 November 1932, C.P. 405(32), CAB 24/235.
  2. D.B.F.P. II/VII, Doc.No. 193; Cabinet Conclusions, 23 November 1932, 63(32)5, CAB 23/73.

enumerated all the recent unfavourable incidents in Anglo-Soviet relations, including the provisioning question, but Litvinov strongly rejected any Soviet governmental responsibility for either Izvestiya or the Comintern, so that while he could express his regret over the press articles he could not apologise. Ovey pointed out to the Foreign Office that satisfaction over Manuilsky's remarks would 'be difficult to acquire without strong display of force' (1). The Foreign Office too recognised this point, and appreciating that little change could be got out of the Soviet Government over the Comintern they did not return to that charge again.

The British stood firm on the other issue though, and Vansittart made it clear to Maisky on 5 December that the refusal of the Soviet Government to apologise for the Izvestiya article was 'profoundly disappointing and exceedingly foolish' (2). The Soviet side therefore gave ground. The following day Litvinov instructed Maisky to deliver a note to the Foreign Office (handed over on 7 December), referring to the British note of 17 October and Simon's comments of

- 
1. D.B.F.P. II/VII, Doc.Nos. 186, 187, 189, 195; D.V.P. Vol XV, Doc.No. 471.
  2. Ibid; D.B.F.P. II/VII, Doc.No. 200.

11 November and stating that the Soviet Government were 'prepared to commence negotiations for a new commercial treaty (1). Further, on 9 December, Maisky again visited Vansittart, repeated that they Soviet Government were not responsible for Izvestiya but stated that they dissociated themselves from the paper's allegations and added that he 'had communicated himself with the editor of Izvestiya, who had now replied that he had been misled by one of his correspondents, and he recognised that the statements published concerning the Foreign Office were inaccurate, and he, the editor, wished to express regret for this'. Afterwards Vansittart minuted: 'I certainly feel that we should accept this repudiation on the one hand and apology on the other, for I feel that it is a far more satisfactory ending than has usually been reached in our controversies with the Soviet Government'. Simon, by telephone from Geneva, and MacDonald both concurred, and it was announced to the House of Commons on 13 December that the incident was regarded as closed (2).

---

1. D.V.P. Vol XV, Doc.No. 474, and note 318.

2. Note by Vansittart, 9 December 1932, N7307/22/38, FO 371/16321; H.C.Deb. Vol 273, Cols 196-198.

With the way now open for a start in the commercial negotiations, the two sides met for the first time on 15 December 1932. On 29 December 1932, the British side set out the fundamental points for discussion, which were a modification of the most-favoured-nation position with special reference to the Ottawa obligations, an adjustment of the Anglo-Soviet trade balance especially by using Soviet sterling balances available in Britain, and the greater use of British shipping (1). These points were further elaborated in a British memorandum, dated 26 January 1933, to which the Soviet side replied on 17 February, agreeing to these three points as a general basis for discussion, on condition that the new commercial treaty should provide for non-discriminatory treatment and that more favourable credits should be given for Soviet trade. Two commissions, one dealing with the new trade agreement and the other with the trade balance and credits were set up and began work before the end of February 1933. (2).

- 
1. D.B.F.P. II/VII, Doc.No. 535; Foreign Office to Soviet Embassy, 14 December 1932, N7321/22/38, FO 371/16321; Memorandum by British Delegation, 29 December 1932, N1181/5/38, FO 418/77.
  2. D.B.F.P. II/VII, Doc.No. 535; D.V.P. Vol XVI, Doc.Nos. 36, 42 and note 27.

British confidence was still noticeable as the negotiations began. A memorandum prepared in mid-December by the Commercial Counsellor in Moscow, Paton, argued that Britain should 'drive as hard a bargain as we can....No sympathy of a financial nature should be wasted', and that Britain should not give concessions just because of a fear of Soviet default. Ovey's covering comments were to the effect that although Britain should indeed drive a hard bargain it should also be a just one, with a reasonable amount of generosity to help Russia not to weaken her. On this point he was out of line with Foreign Office thinking, which favoured Paton's conclusions (1).

This determination to drive a hard bargain was further exemplified by the British decision to raise other outstanding questions in early February 1933, when memoranda were handed over to the Russians setting out the British position on the debts and claims issue, the Lena Goldfields claim and the provisioning issue. At the start of the negotiations, Simon brought the debts and claims issue before the Cabinet, when he stated: 'While I demur to making the negotiations dependent on the satisfaction of the

---

1. D.B.F.P. II/VII, Doc.No. 201, and minutes on same in FO 371/16321.

- 437 -

claimants or even to pressing the claims in the course of the negotiations, I do not suggest that the existence of the claims and our expectation of their eventual settlement should go by default'. As a result it was made clear to the Russians that the British Government still maintained the claims, the satisfactory settlement of which would be a prerequisite of the signature of a permanent trade agreement (1). No progress had been made during the second half of 1932 on the settlement of the Lena Goldfields case, with the Foreign Office becoming increasingly frustrated with the attitude of both the Company and the Russians; so it was suggested to the Russians that an 'early and satisfactory settlement' would 'effectively contribute' to the spirit of the commercial negotiations (2).

However, in neither case did a satisfactory settlement come about. The debts and claims issue defied settlement at all, and after the signature of the Temporary Trade Agreement on 16 February 1934 both sides merely exchanged notes stating that they reserved

- 
1. D.B.F.P. II/VII, App. II(viii); Memorandum by Simon, 16 December 1932, C.P.440(32), CAB 24/235.
  2. Memorandum by Collier, 14 December 1932, N7375/149/38, FO 371/16327; Coates, op.cit. pp. 468-469.

438

the right to press their respective claims at any time in the future. In November 1934 an agreement was signed whereby the Russians agreed to pay £3 million compensation to the Lena Goldfields Company over a period of 20 years (1).

During 1932 the favourable balance of trade which the Soviet Union possessed vis-à-vis Britain declined considerably in value, as British exports to the Soviet Union increased slightly and Soviet exports to Britain decreased considerably (see Appendix One of this thesis). The Soviet Union actually drew a larger proportion of her imports from Britain at a time when a sizable reduction in the overall Soviet import plan was being implemented (largely through drastically reducing imports from the United States) but the second half of the year saw orders going to Germany rather than to Britain. The Foreign Office remained critical of German credit policy, but other Government departments were becoming more inclined to obtain more orders 'by making as stiff a bargain as possible with the Russians rather than by criticising the Germans' and by establishing greater 'continuity'

---

1. D.B.F.P. II/VII, App. II(ix), (x), (xi); D.V.P. Vol XVII, Doc.No. 380 and note 290.



in British credit policy (1). As a result on 21 December 1932, the Cabinet, with the noted dissent of Hailsham, approved proposals from Runciman that the export credits for trade with the Soviet Union be put on a revolving basis, to the value of £4,600,000 a year with a duration of 18 months (2).

For the Soviet Union, the period of late 1932-early 1933 was a crucial one as regards the retirement of existing debts to foreign creditors; the large amount of debt maturing indeed again raised fears abroad, even on the basis of the imperfect information available to foreigners, that a Soviet default was possible. Default was avoided by a number of devices: exporting gold, utilising foreign currency shops' earnings, reducing machinery import orders, and continuing to export foodstuffs regardless of the human cost (3). In the Anglo-Soviet bilateral context, after the British denunciation of the Trade Agreement there was a reduction in the orders being

- 
1. Ashton-Gwatkin to Leith-Ross, 27 September 1932, N5373/158/38, FO 371/16328; Nixon to Collier, 10 October 1932, N5764/22/38, FO 371/16320; Memorandum by Export Credit Guarantee Department, 30 June 1933, N4928/748/38, FO 371/17261.
  2. Memorandum by Runciman, 19 December 1932, C.P.443(32), CAB 24/235; Cabinet Conclusions, 21 December 1932, 68(32)7, CAB 23/73.
  3. Owen, op.cit. p.98; Dohan, op.cit. pp. 629, 632.

placed by the Russians, except where credit was available, and British exports to the Soviet Union in the first quarter of 1933 were at an insignificant level (1). This political act of retaliation reinforced the tendency towards a slight reduction in Soviet orders in the second half of 1932 due to the absence of credit, and meant that the general trend of British exports to the Soviet Union in 1932 (a slight increase, with machinery exports significantly increasing - see Appendix Five of this thesis) against the overall swing in the Soviet Union's importing policy was not continued into 1933. From the spring of 1933, of course, Anglo-Soviet trade patterns were to be disjointed more severely by the embargo and counter-embargo.

At a time when Anglo-Soviet relations were undergoing some tension, the Soviet Union was moving further towards rapprochement with France. In the autumn of 1932, both Poland and France decided to disregard the Rumanians, who showed no signs of coming to a Rumano-Soviet agreement, and on 26 November 1932 the Poles ratified their Non-aggression Pact and the French, three days later, signed their Non-aggression Pact with the Soviet Union. It was not a 'reversal of

---

1. D.B.F.P. II/VII, Doc.Nos. 440, 477.

alliances', but for the French it had a negative value in that the Soviet Union would be neutral in any Franco-German conflict, while for the Soviet Union, the pledge 'not to become a party to any international agreement' directed against the other's foreign trade ensured that France would not again join an economic boycott of Soviet goods (1). Soviet concern about economic action against them was still in evidence, such as in Litvinov's attempts early in October 1932 to disinter the proposal for a pact of economic non-aggression, so that at a time when Britain was endeavouring to obtain freedom for economic action the Franco-Soviet Pact had an economic significance. The British felt that the French had been 'rather rash' in signing away their only effective weapon and rejected a French approach for co-operation in future commercial negotiations with the Soviet Union (Franco-Soviet trade negotiations recommenced a month before the Pact's signature) (2).

- 
1. Néré, op.cit. pp.159-160; Scott, op.cit. pp. 58-73; D.D.F. Vol II, Doc.No. 29. An 'economic boycott' clause had been first included in the Treaty of Berlin in 1926. The Franco-Soviet Pact also included a propaganda clause, as the French were particularly concerned about communist activity in Morocco. D.V.P. Vol XV, Doc.No. 409.
  2. Note by Oliphant, 1 December 1932, N7059/1159/38, FO 371/16334; Memorandum by Northern Department, 30 December 1932, N340/130/63, FO 371/17215..

442

To the Soviet Union the Pact had political advantages as well, in that it appeared to separate France both from Japan (there was still comment in the Soviet press about Franco-Japanese contacts) and from Germany (Soviet suspicions of Papen's approach to Herriot for a military alliance seem to have had some substance (1)). The Soviet leadership appear to have failed to appreciate the nature of the changing situation inside Germany attaching inflated significance to the German communist gains in the elections in 1932, continuing to be suspicious of Papen and to criticise the social-democrats, and underestimating the significance of the rise of Adolf Hitler and the gains made by the Nazi Party (2). Even after the accession of Hitler to the Chancellorship on 30 January 1933, there was a period of cautious reassessment by the Soviet side, and it was nearly a year before German-Soviet relations were reduced to their lowest level (3).

However, neither in the European nor in the Far Eastern context did Britain and the Soviet Union find ground for real co-operation or a thorough exchange

- 
1. Scott, op.cit. pp.67, 73; Dyck, op.cit. pp.252-253; D.V.P. Vol XV, Doc.No.409.
  2. Laqueur, op.cit. pp.216-218; Ulam, op.cit. pp.191-196. However, D.V.P. Vol XV contains some reports from the Soviet Embassy about the rising strength of the anti-Soviet Nazi Party (e.g. Doc.Nos. 193, 263, and 444), but their evaluation by Moscow is not known.
  3. James McSherry, Stalin, Hitler, and Europe: The Origins of World War II, (New York 1968), pp. 23-34; Ulam, op.cit. pp.192-197.

110

of views. Throughout the discussions in the autumn of 1932 on ways of bringing back Germany to the Disarmament Conference, the official British line seemed nearer to Germany than to France and the informal talks in December 1932 (which did result in German participation in the next session of the Conference in February 1933) excluded the Russians, who even before Hitler's accession to power were showing signs of sympathy for France's 'security' plan announced in November 1932; Britain and the Soviet Union were no closer together (1). Analysing the Soviet Union's policy of negotiating pacts during 1931-1932, the Foreign Office considered that the chief object was 'to acquire security from political intervention or financial and economic boycott, and to gain time for the carrying through of their "Five Year Plan"', but described the resultant treaties as 'largely meaningless and illusory' (2).

In the Far East, the Soviet Union's relative military weakness and diplomatic isolation led to a continued military build-up, renewed efforts (unsuccessful) to persuade Japan to accept a non-aggression pact, tentative soundings with the United States, and the renewal of Soviet-Chinese relations in December 1932. However, continued misunderstanding of Britain, the

- 
1. Thorne, op.cit. pp. 310-324; Beloff, op.cit. pp.51-52.
  2. Memorandum by Northern Department, 30 December 1932, N340/130/38, FO 371/17215.

- 44 -

suspicion that Britain was eager to deflect Japan from British interests in south China and South-east Asia towards the north, governed Soviet thinking. The Russians also continued to see the 'hand' of Britain working against them in the Baltic states, Persia and Afghanistan (1).

To the British, 'the great gravity owing to the exposed position of our bases and the danger to our trade' meant a policy based on the need to avoid 'trouble with Japan'. Although Japanese attempts to portray themselves as saving China from communism evoked little positive support outside of some Conservative back-benchers and certain newspapers (2), suspicions of past and present Soviet policies led the Cabinet to discount close co-operation with the Soviet Union as a viable policy. Although Japanese military activity had forced a re-consideration of

- 
1. Nisso Koshoshi, op.cit. pp. 270-274, 288-290, 293-294; Eudin and Slusser, op.cit. Vol II, pp. 504-505; D.V.P. Vol XVI, Doc.No.52; Popov, Diplomaticheskie Otnosheniya, op.cit. pp. 87-91.
  2. Reginald Bassett, Democracy and Foreign Policy (London 1952) pp.589-590; Louis, op.cit. pp.199-205. One British report stated: 'Though we do not wish and in fact are morally unable to condone Japan's disregard of her obligations...it must remain beyond dispute that the extension of Japanese control in Manchuria would be less inimical to the British Empire than the inevitable alternative - an increase of Soviet influence'. Memorandum by Chief of Imperial General Staff, October 1932, C.P. 367(32), CAB 24/234. This line of thinking was not a major consideration in Cabinet policy. Ann Trotter, Britain and East Asia (London 1975) p.216.

British defence planning with a new priority for the Far East, the Chief of the Imperial General Staff argued in October 1932 that 'it must not be forgotten that Russia is our one declared enemy and that while she is preparing primarily for war on her western frontiers, she will not hesitate to strike at us through Afghanistan should the situation be favourable'. The Foreign Office and the India Office disagreed with that view as a short-term assessment, indeed informing the Cabinet the same month that 'there is little likelihood of the Soviet attacking Afghanistan in the near future', but the British fear of an extension of communist influence into India and the Empire, whether by subversive or by military means, still ranked as a consideration in British foreign and defence policies, even though the main threat to the Empire now came from a different direction, Japan (1).

In this context, in the summer of 1932, the British had to consider a renewed request from the Afghan Government for a concrete definition of the British attitude to a Soviet-Afghan war. The new Viceroy, Lord Willingdon, argued that there had been

---

1. Memorandum by Chief of Imperial General Staff, October 1932, C.P. 367(32), CAB 24/234; Memorandum by Hoare and Simon, 3 October 1932, C.P. 300(32), CAB 24/232.

no 'fundamental changes' vis-a-vis the Soviet Union which called for any revision of the 1927 assumptions, and firmly emphasised that 'we regard the re-establishment of Russian influence in Afghanistan as a most serious threat not only to the security of India and the peace of the frontier but even to the stability of the Empire'. Simon and Hoare consulted with the Cabinet and decided in October 1932 that the Afghans could be informed that an unprovoked Soviet invasion could lead to the British undertaking 'diplomatic intervention' followed by 'economic pressure' if necessary (1). It was a more definite commitment than any previous assurance to the Afghans.

The First Five Year Plan officially came to an end on 31 December 1932, instead of in September 1933, nine months ahead of schedule, amid fanfares over the successes achieved. However, in most of the important industrial sectors and agriculture the shortfalls were significant and the economy was over-strained and disorganised. Stalin, speaking at a Party Plenum in January 1933, admitted a slight shortfall in output, which he blamed on the necessity to switch industrial

- 
1. Walton to Herbert Metcalfe, Foreign Secretary to the Government of India, 11 August, Willingdon to Hoare, 10 September, Simon to Maconachie, 17 October, and Maconachie to Simon, 2 December 1932, all I.O. Records, R/12/1/89; Memorandum by Hoare and Simon, 3 October 1932, C.P.300(32), CAB 24/232.



production to armament production as a result of the Far Eastern complications (1). At the end of 1932, Ovey reviewed the Soviet internal situation. In his own notes he wrote that the Russian experiment was 'the execution, the putting into force of a pure theory' (2), while in his report to London he argued that although recent despatches had presented 'a somewhat gloomy picture of the Russian economic and political situation' he saw signs of a more rapid evolution so that the 'most likely future' was 'the continuance of the present regime with the same dominant features, and in practice a gradually more reasonable and less theoretical policy'. Although sceptical of Soviet statistics regarding the Five Year Plan's progress, the British Embassy staff felt that 'in spite of all the mess that undoubtedly exists, largely because the country is peopled by Russians, something tangible is being accomplished' (3).

Trade questions were dominant in the Anglo-Soviet relationship in the second half of 1932. One of the major issues of the Ottawa Conference was the

---

1. Stalin, Works, Vol 13, pp.174-183; Nove, op.cit. pp. 187 ff.
2. Record dated '31 December (? 1932, from internal evidence) by Ovey, in Ovey Papers, held by Mrs. D. Woodrow.
3. D.B.F.P. II/VII, Doc.No. 201.

struggle to find a settlement between the Canadian and British delegations over trade with the Soviet Union. Under Canadian pressure the British committed themselves to denouncing the Trade Agreement, but not to any total prohibition of imports from the Soviet Union. The Cabinet was generally guided by economic rather than political motives in denouncing the Trade Agreement and entering into negotiations for a new agreement which it was hoped would rectify the unfavourable balance of Anglo-Soviet trade. At the same time it was also hoped that some progress might be made on the unsolved issues of debts and claims and the Lena Goldfields claim.

The nature of the issues in dispute gave Runciman and, in particular, Chamberlain leading roles in the decision-making process, while MacDonald too had an important if often out-numbered voice in the discussions. Simon played a less decisive role than these three Ministers, and his periodic absences in Geneva allowed Vansittart to shape Foreign Office responses to problems such as the renewal of the propaganda dispute.

The new Soviet Ambassador, Maisky, came to Britain with a slogan of 'common sense', but mutual suspicions still over-ruled any real development in

political relations. In the changing situations in both Europe and the Far East there was no sign of a 'meeting of minds' between the two powers. The Soviet Union, in fact, turned to other powers, France, Poland, and (every hopefully) to America. Although Litvinov became virtually a 'citizen of Geneva' through his frequent visits, Stalin and the Politburo were still pursuing a policy of 'isolationism', of using diplomatic methods to gain time for the industrial and military development of the Soviet Union. The Comintern was more and more out of touch with the situation both in Europe (including Britain) and the East; although an irritant in Anglo-Soviet relations, it was not an effective weapon for Stalin to apply pressure on the British. The crisis in the Soviet economy, particularly the famine, necessitated re-organisation in Soviet foreign trade planning and efforts were made to avoid a default and reduce dependence on the British market.

Ovey's own note at the end of 1932 that 'this time one bright spot I see or think I see is the beginning of a better understanding with Russia' (1), was not to be realised, for on 12 March 1933 the Soviet

---

1. Ovey Papers, Record of 31 December (?1932).

- 450 -

secret police arrested six British engineers and more than twenty Russians employed near Moscow by Metro-Vickers Ltd. and in early April brought them to trial on grounds of spying and wrecking in what was 'the last of the great show trials held before the Purge proper'. Ovey in particular was completely disillusioned and angered by this 'skit on justice' and 'deliberate sabotage of our relations' and he was recalled to London even before the trial opened. However, the Cabinet felt that 'the threat of commercial embargo is more powerful than breach of diplomatic contact', but were not in a bluffing mood, so that when the British engineers were convicted a full embargo was introduced on all basic Soviet export commodities to Britain (with the expiry of the six months' notice of denunciation of the Trade Agreement and the suspension of negotiations for a new agreement this action could be taken) on 26 April 1933. The Soviet side introduced counter-measures, but then the situation relapsed into impasse, until, at the end of June 1933, Litvinov's visit to London to attend the World Economic Conference gave the chance for talks with Simon, resulting in the lifting of the punitive economic measures and the release of the British engineers (1).

---

1. D.B.F.P. II/VII, Doc.Nos. 204-519; D.V.P. Vol XVI, Doc.No. 83, passim; Owen, op.cit. pp. 97-104; Lord Strang, Home and Abroad, (London 1956) pp. 78-120.

Negotiations for the trade agreement were resumed, but only reached a conclusion on 16 February 1934, when a Temporary Trade Agreement was signed; a schedule guaranteeing an equalisation in the balance of trade over a four-year period and a slight modification in the most-favoured-nation clause seemed the only satisfactory results for Britain (1).

Despite this agreement, though, the Soviet Union continued to have a distinctly favourable balance of trade through the 1930s, and the debts and claims issue remained in cold storage, but the propaganda issue did die down after 1935, and there were some signs of closer political relations, as the Soviet Union joined the League of Nations and Anthony Eden, then Lord Privy Seal, visited Moscow. Elements of mutual suspicion and misunderstanding were still strong enough, however, to hinder the development of close relations in the late 1930s.

---

1. Coates, op.cit. pp. 513-520; Owen, op.cit. pp. 104-107.

## CONCLUSION

Anglo-Soviet relations during the period from 1927 to 1932 retained much of the coldness and mutual suspicion which had characterised relations in the early 1920s, and, indeed, Anglo-Tsarist relations during the nineteenth century.

By 1927 the majority of British informed opinion appreciated that the Soviet Government had 'come to stay' in that a certain stability in both political and economic life had been achieved within the area which constituted the largest part of the old geopolitical boundaries. In general, the British governments felt, even during the periods of internal disruption in the Soviet Union as under the First Five Year Plan, that there were no grounds for 'wishful thinking' (the prerogative of some Conservatives and White Russians) about the fate of the Soviet system. As a corollary of this assessment, the Foreign Office consistently argued that any attempted outside intervention would only be counter-productive in that it would serve to reunite the Russian people and destroy any embryonic fissiparous tendencies.

155

Having recognised that in Soviet communism they were faced with a 'going concern' and, to use the words of Ambassador Ovey, 'a fact with which one must reckon, and against which one must defend one-self quietly and confidently' (1), the British policy-makers nevertheless were in disagreement among themselves as to the future 'evolution' of the Soviet Union and its role in world affairs. This reflected partly the difficulties arising from inadequate information about and from misunderstanding of the nature and policies of the Soviet Union, including the apparent contradictions in the unconventional Soviet approach to international relations through the two arms of the Narkomindel and the Comintern, and partly party-political differences in approaches to international relations in general and Soviet totalitarianism in particular.

Lloyd George's misconception of Soviet Russia's 'bursting cornbins' had been based on inadequate information as to the real Soviet situation, and despite a certain amount of diplomatic and secret information obtained during 1920s, Balfour was still able to write in July 1927: 'I wish we knew more about the internal, as distinguished from the external, policy

---

1. D.B.F.P. II/VII, Doc.No. 88.

of Russia' (1). The break in relations substantially reduced the flow of information from all sources, though less drastically in the Indian context. By the time relations were renewed in 1929, the closed nature of Soviet society (aptly described by a post-war British Ambassador to Moscow as 'hermetic impenetrability' (2)) had become more pronounced under Stalin's control and this compounded the difficulties for the British in their efforts at 'Kremlinology'. Consequently, aspects of the internal power struggle were misunderstood; for example, the insecurity of Stalin's position in the Soviet hierarchy was over-estimated.

However, apart from the problem of insufficient information about the Soviet Union, the British were hampered by their own failure to understand the nature of the Soviet system and Stalin's policies. In trying to explain the Soviet system, the British sought to draw comparisons from Western social, political and economic experiences. At times, therefore, comparisons were drawn with Tsarist imperialism, the French Revolution and the Napoleonic system, militant Catholicism,

- 
1. Balfour to Harold Bernstein, an American journalist, 8 July 1927, Balfour Papers, held in the British Museum, London, Add. 49868.
  2. Sir William Hayter, Russia and the World, (London 1969) p.13.



and Mahometanism. By thinking in Western terms, for example, the British failed to appreciate the sacrifices that could be demanded under the First Five Year Plan by coercion, as in the case of the forcing of grain for export to Britain and the West. That such misunderstandings and misperceptions were still in evidence at the end of this period is clear from the report sent by Paton, the Commercial Counsellor to the Moscow Embassy, in December 1932, urging: 'One must not measure conditions in Russia with an English yardstick' (1).

The question of the inter-relation between the Marxist ideology and the national Russian tradition loomed large for British observers as Stalin's policy of 'socialism in one country' seemed to herald a more nationalistic policy. Generally it was expected that the revolutionary defeats of 1927, particularly in China, would drive the Soviet Union on to a more nationalistic path, but the increasingly militant slogans of the new Comintern line adopted in 1928 confused British observers, who could not understand the

- 
1. D.B.F.P. II/VII, Doc.No. 201. A later example of the propensity to think in British terms is afforded by Simon's comments to Neville Chamberlain on the eve of the Soviet Union's joining the League of Nations, in August 1934: 'We can certainly intimate that if she is going to join the Club at Geneva we expect her to behave according to the best traditions of the best clubs'. Ibid, Doc.No. 609, note 1.

130

essential unreality of much of the Comintern's policies in relation to the European and colonial situation.

During the years from 1928 to 1932, Soviet internal and indeed external policies were dominated by the exigencies of the First Five Year Plan, and the British endeavoured to assess its short-term and long-term implications for Soviet trade and foreign policies and for the development of Soviet society and economy. Ovey's conclusion in 1930 was that Stalin's 'plan of industrial organisation is a serious and not a fantastic one'; by 1932 the British felt that though the improvements in the Soviet economy were 'far short' of those planned for, some progress had been made (1).

The British officials' approach to Stalinist communism was also conditioned by their opinions of the Russian national character, which they saw as one of the keys to the success or failure of Stalin's plans. Ovey was in general agreement with the 'customary criticism...that Russians are useless and feckless human beings and can never really govern their own country', but believed that that contention 'can no longer be held to apply to the extremely active, if

---

1. Ibid, Doc.Nos. 71, 201.

misguided and over-zealous, minority who rule the country with a rod of iron' (1). Some Foreign Office officials, however, were not very sanguine about the abilities either of the Russians as a race or the Bolsheviks as rulers, as witness Wellesley's comments: 'Under the present regime no one can do anything in Russia....(and) it is fantastic to suppose that, by a stroke of the pen, Russia can achieve, overnight as it were, what has taken other nations with far greater aptitudes decades to accomplish' (2).

As a potent issue in party-political discussions, Soviet Russia at times attracted a disproportionate amount of attention as compared with other foreign policy issues. The Foreign Office officials themselves expressed their frustration at this 'fetter' on British foreign policy in a memorandum in November 1931:

'From being a pre-war enigma Russia has become a post-war obsession....So long as one section of opinion, even a small one, hitches its wagon to the Soviet star, and another longs for nothing so much as the star's eclipse, the task of reducing Anglo-Soviet relations to normal remains hopeless' (3)

---

1. Ibid, Doc.No. 88.

2. Memorandum by Wellesley, 1 December 1930, MacDonald Papers, PRO 30/69/1/286. Some Cabinet members too felt certain about the 'inefficiency of the Slav' and held that 'the history of Russia showed how rarely their plans came to fruition'. Cabinet Conclusions, 27 April 1932, 25(32)7, CAB 23/71.

3. D.B.F.P. II/VII, App.I.

100

The clamour from extra-parliamentary pressure groups, such as the creditors' associations, the chambers of commerce, the churches and the trade unions, and from parliamentary back-bench pressure groups notwithstanding, the mainstream leaderships of the three major parties were not as far apart in their attitudes to the Soviet Union as the press and the wilder statements of back-benchers made it appear. The front-benches had no real enthusiasm for the communist experiments being conducted inside the Soviet Union and even less for Soviet attempts to spread revolutionary activities into Britain and the Empire. Differences were reduced largely to arguments over the means of bringing about the evolution of Soviet Russia to more 'normal' standards of government and international intercourse and over the extent to which British interests could be promoted and protected through a rapprochement with Soviet Russia.

As shown in the first three chapters of this thesis, Austen Chamberlain's cautious policy of 'studied reserve' which he had argued for and maintained since becoming Foreign Secretary in 1924, was, by 1927, becoming increasingly difficult to justify in the face of mounting evidence of Soviet intransigence and failure to observe the propaganda obligations, and against a

background of growing pressure from Conservative backbenchers and some Cabinet members for 'positive' action to counter-act the anti-British activities in Britain, the Empire and China. The rupture of relations did not 'suit' Chamberlain's foreign policy (1), for he consistently argued against a break on foreign policy grounds, but the Arcos raid changed the situation and tipped the balance in the Cabinet in favour of action. Emotion may have governed certain members of the Cabinet, but for the majority it was a growing sense of frustration at Soviet intransigence, a feeling that the repercussions on trade would be minimal, and the realisation that intra-party dissent was dangerously strong, which carried the decisive influences.

As shown in the fourth and fifth chapters of this thesis, the suspension of diplomatic relations was not the prelude to any wider British action (contrary to the alarums of the Soviet 'war scare'); Chamberlain was at pains to explain this to his European colleagues. Trade did fall off, since the Soviet Government reacted by reducing orders; as the British economic situation began to deteriorate in 1928-29 this led to some agitation for a renewal of relations even amongst

---

1. A. J. P. Taylor, op.cit. p. 255, claims that 'the breach with Soviet Russia suited Austen Chamberlain's foreign policy'.

Conservatives. However, continued evidence of Soviet anti-British activities both in Britain and in India hardened Cabinet opinion against a reconsideration of their policies. The Soviet appearances on the international arena, at the disarmament talks and through the adherence to the Kellogg-Briand Pact, were greeted with suspicion by the British.

As shown in the sixth, seventh, and eighth chapters of this thesis, the Labour Cabinet which took office in 1929 were haunted by the experiences of 1924 in their dealings with the Soviet Union throughout the following two years. They resisted the demands of their back-benchers for an immediate resumption of relations and proceeded with negotiations but this cautious approach, however, gained only one concession from the Russians, the propaganda pledge. Learning from 1924, the Cabinet refused to countenance a loan, but did extend export credits in the belief that British exports could be stimulated. Some expansion of trade did occur, but British export totals only rose significantly as longer credits, culminating in the Johnston-Gurevitch agreement of 1931, were granted, while the Soviet exports rose further through large grain exports to a British market committed to Free Trade. The Labour Cabinet came under Conservative criticism not only for

allowing Soviet 'dumping' but also for their non-committal approach to the Soviet religious persecution and forced labour issues. Henderson initially adopted a hard line towards propaganda infractions but the constantly repeated remonstrances to the Russians brought little effect and they were eventually abandoned. Frustration was the keynote also of the negotiations over debts and claims, the Lena Goldfields claim, and the trade balance. There was no real coincidence of interests in the disarmament or other international discussions.

As the Depression deepened and British unemployment figures increased, the pull of the Soviet market increased for the British, so that economic relations became of greater importance, especially as no real political rapprochement occurred.

As shown in the last two chapters of this thesis, relations under the National Government remained distant. The First National Cabinet, distracted by the paramount problems of the British economy, devoted minimal attention to Anglo-Soviet relations, allowing them to continue on the general lines of the Labour Cabinet's policy, with the exception of a reduction in the duration of credits. The reconstituted National

102

Cabinet after the election was less united on policy and disagreements revolved around the unfavourable trade balance with the Soviet Union and the remedies for this situation. Many of the outstanding issues of the Labour Cabinet period remained unsolved, such as propaganda, debts and claims, and the Lena Goldfields claim. A decision on the fate of the Temporary Trade Agreement was postponed until after the Ottawa Conference, where Canada was more successful than at the previous Imperial Conference in 1930 and obtained British agreement to abrogation of the Trade Agreement. Only after another vituperative propaganda exchange were the trade negotiations between Britain and the Soviet Union opened at the very end of 1932. The emergence of the Japanese threat in the Far East after September 1931 affected the interests of both powers in that area, but there was no real exchange of opinions and no co-ordinated response. The Soviets were suspicious of British intentions in the Far East vis-a-vis Japan, as the British had earlier been suspicious, with more justification, of Soviet intentions in China.

The wide-ranging nature of the 'Russian question' brought it within the purview of several government departments other than the Foreign Office. Throughout this period the voices of these other departments and their political masters made themselves felt



100

in policy discussions, on occasions even over-ruling the Foreign Office's opinions and proposals. By the end of the period the Treasury had become the most influential of these other departments, which reflected partly the strong personalities of the three successive Chancellors but also partly the Government's increasing preoccupation with the economic state of the country, and the economic aspects of Anglo-Soviet relations as the political relations stagnated (1). Probably all the three Chancellors, with slight differences of emphasis, would have agreed with Neville Chamberlain's comment in October 1932 that 'I regard her (Russia) as a suspicious character and if we do business with her we must exercise the business caution appropriate to a rather disreputable customer' (2).

- 
1. The review for 1932 drawn up by the Moscow Embassy noted that 'as in previous years, the conditions of Anglo-Soviet trade relations remained in fact the most important question in Anglo-Soviet relations'. Viscount Chilston, Ovey's successor as Ambassador, to Simon, 5 December 1933, N8770/3632/38, FO 371/17276.
  2. N. Chamberlain to Arthur Chamberlain, 24 October 1932, N. Chamberlain Papers, NC 7/6/4. Occasionally fiscal beliefs over-ruled suspicions of Soviet Russia, such as Churchill's advocacy of the Ten Year Rule at the same time as he was warning of the Soviet threat to India, and Snowden's refusal to sacrifice his Free Trade beliefs and enact the anti-dumping legislation urged by the Canadians, despite his having argued with the Webbs that Soviet Russia was a 'cruel slave state'. Webb Diaries, 18 August 1931, I. 45.

A certain lack of co-ordination in British policies towards the Soviet Union emerges from the records of the inter-departmental and Cabinet discussions, and some of these mutually-conflicting elements were apparent to the Russians. The Soviet diplomats in their reports to Moscow, and the Narkomindel officials themselves, tended to analyse these signs in terms of a clash amongst the British leadership elite of two 'tendencies', moderate/ciliatory and hard-line/anti-Soviet (1), but the decision-making process in Britain was considerably more complex than that method of assessment implies. Nevertheless, just as these inconsistencies on the British side provided opportunities for the Soviet side to try to split or play off groups or Ministers for their own benefit, as in the case of the attempts during the Labour Cabinet's term of office to play off Cabinet members in order to gain longer credits, so also they did not obviate Soviet misunderstanding and suspicion of British intentions, for example, Avramov's 'confused' state of mind after talking with Joynson-Hicks in October 1928.

- 
1. Stalin, in his post-1927 public pronouncements, either delineated different countries as representing these two tendencies (as opposed to two groups within the elite of a country) or saw a struggle between the masses and the governments of the various countries, but the Narkomindel documents contain many examples of the continuance of the old analysis of two tendencies amongst the elites, with the often implied corollary of favouring the moderate group.

Imperial considerations ranked large with British policy-makers; the defence of India, in its widest political-strategic sense, despite the essentially bi-partisan approach to the 'retreat' from India, remained in many ways the 'impulse' of British policy, but the Dominions became more individualistic in foreign affairs and a common policy towards the Soviet Union became increasingly difficult for London to obtain.

The nature and the degree of imminence of the Soviet threat to India was the subject of considerable disagreement amongst British and Indian authorities (not least between the Foreign Office and the Chief of the Imperial General Staff), but in 1926-27 the majority opinion had perceived an external military threat through Afghanistan. The consequent re-examination of Indian defences reaffirmed the basic assumption of nineteenth century British policy, namely that the integrity of Afghanistan was vital for Indian security, but the drafting and detailed elaboration of plans over the following years became more of an 'academic exercise', as the internal communist threat first appeared to become paramount, then again receded, partly due to strong Government action and partly due to the Comintern's unrealistic policies, and later the Afghan internal

100  
situation stabilised and Soviet attention became diverted to the Far East.

In fact, by 1932, the extent of Soviet influence in the traditional areas of Anglo-Russian conflict, in the Middle East and on the frontiers of India, was significantly reduced by comparison with the first half of the 1920s.

In over-ruling the British military authorities and imposing the Ten Year Rule, the politicians had only one slight reservation, namely, about the Soviet military situation, but when, in 1932, the Cabinet finally revoked this Rule, the cause was not an imminent Soviet threat, but the rise of Japan. The first real threat to the Empire, therefore, did not come from the direction anticipated by either the military or the civilian authorities in the late 1920s.

The difficulties in co-ordination and consultation with the Dominions were just as apparent in Anglo-Soviet relations as in other fields of foreign policy, raising not only constitutional points as in the case of the 1927 severance of relations, the 1929 exchange of propaganda pledges and the 1930 Trade Agreement, but also fundamental policy divergences, as in the case of Canadian attempts to dictate British economic policy towards the Soviet 'dumping' at the 1930 and 1932

Imperial Conferences. The comments in the diary kept by Neville Chamberlain, depicting the course of the arguments over the Russian question at the Ottawa Conference, illustrate the obstacles to a united Imperial policy (1).

The Foreign Office officials, particularly the successive heads of the Northern Department, Palairret, Villiers, Seymour and Collier, served their political masters with sympathy; even the Labour Cabinet, prone to doubts about Foreign Office loyalty after the events of 1924, found little cause to complain. Amongst the more senior permanent officials, Gregory, until 1928, and Vansittart, after 1930, played significant roles in advising on and formulating policy (2). The

- 
1. See Chapter Ten of this thesis. Sankey's rough notes on the Cabinet meeting of 27 August 1932 when Chamberlain reported on the Ottawa Conference, Sankey Papers, c.509, include: 'N. Chamberlain's conclusions. Very thin the bonds of Empire have worn. Growth of nationalist spirit. Conference just in time to save unity of Empire....as to Bennett, P.M. of Canada, bluff!! mendacity!! dishonest!! liaf!! can't believe a word he said'.
  2. Gregory has been generally described as 'bitterly hostile to the Bolsheviks' by historians (e.g. Carr, Socialism in One Country, op.cit. Vol 3, p.31), but he did present reasoned memoranda against a breach in relations, as shown in the first two chapters of this thesis. On looking back through old files, Dalton was surprised to find that Gregory, in 1926-27, had 'expounded the official view of the F.O.' against a break. Dalton Diaries, 18 May 1931. Vansittart was able to work well even with Henderson, despite the 'social and psychological gap' between them. Norman Rose, Vansittart. Study of a Diplomat, (London 1978) pp. 83, 103-104.

diplomatic representatives in Moscow, Hodgson and Ovey, endeavoured to send back objective reports on the confusing Soviet situation, but, reflecting a not uncommon tendency amongst diplomats accredited abroad, over-compensated in their desire to be fair to their 'hosts'; their reports, which tended to be rather sympathetic to Soviet aspirations if not methods, did not always meet with the approval of the officials in London (1). Ovey's disillusion with the Soviet Government, of which signs were apparent in his reaction to the Torgsin dispute in late 1932, was only to come over the Metro-Vickers affair in 1933 (2).

- 
1. Nicholas Reyntiens, an Assistant Director in the Department of Overseas Trade, wrote in April 1926: 'both Sir Robert Hodgson and Mr. Peters are extremely pro-Russian in their outlook, by which I do not mean to suggest that they are pro-Bolshevik, but I think that any report that they may be asked to write will be coloured by their hope to see Russia once more in the foremost rank of great nations'. D.O.T. file 13317/1931, B.T. 60/28/3. Dalton wrote about Ovey and his staff: 'It is, I think, a capital thing that we now have in Moscow men who are studying the "Great Experiment" with hope and enthusiastic curiosity. I do not know how some of our officials at this end will react'. Dalton to Gillett, 31 March 1930, Gillett Papers.
  2. After returning to London, Ovey told a Cabinet committee that 'strong measures were necessary in order to have any effect on the Russians'. Cabinet Committee Meeting, 3 April 1933, CAB 27/550. After the Second World War, he wrote: 'We must agree to differ, we must cease to try to "get together" with Russia'. Draft article, 1949, Ovey Papers.

In pursuing the self-imposed task of pacifying and reconciling post-Versailles Europe, especially the settlement of the 'German problem', Britain did not consider Soviet Russia as a power able to offer anything constructive to the solution of the European problems, to finding the stability in Europe which was essential to enable Britain to concentrate on her Imperial responsibilities. Despite Henderson's efforts to draw in the Soviet Union, Foreign Office opinion, as expressed in Vansittart's 'Old Adam' memoranda, still regarded Soviet Russia as a 'negative' factor in European politics, thereby echoing the earlier opinions of Nicolson's 1925 memorandum.

Anglo-French differences, which found expression in a number of inter-war issues, were visible in the approaches of the two powers to relations with the Soviet Union; for different reasons both the Germans and the Russians endeavoured, not unsuccessfully, to exploit these differences. The British noted unhappily the signs of Soviet-German friendship on the political and economic level, but under-estimated the military

collaboration between these two powers (1).

In the mid-1920s, the Soviet leadership regarded Britain as the chief capitalist power, and, as such, the main threat to their state. The Soviets' suspicion of British intentions led them to view the rupture of relations, taken in connection with a series of foreign policy set-backs, in mid-1927, as the prelude to wider action by the British or by British-inspired smaller powers. Later this threat was perceived in terms of British attempts to form an economic or financial blockade during 1927-1929. Only with the deepening Depression and the relative 'decay' of Britain's economic and consequently political standing in Soviet eyes, did France emerge as the chief capitalist protagonist. Despite the 'confidence' which the Soviet Union felt towards Britain under the Labour Government, the changes in Britain's financial and political fortunes in 1931 meant that France remained a centre of Soviet interest and in turn became the object of a Soviet diplomatic push as the Far Eastern crisis threatened Soviet security.

- 
1. The British seemed, if anything, more concerned about Soviet-Italian contacts, carefully noting sales of Italian flying-boats to the Soviet Union and receiving secret information about an unaccepted Soviet offer of a military pact to the Italians (in 1931), than about the much more substantial Soviet-German military contacts. C.D.I. Minutes, 19 March 1931, CAB 2/5; Memorandum by Vansittart, May 1931, C.P. 317(31), CAB 24/225.



After the collapse of revolutionary hopes in China, India seemed to be the most promising ground amongst the colonial countries. Paradoxically, however, the left turn inaugurated by the Sixth Comintern Congress in 1928 enforced a policy on the Indian communists which was to be increasingly out of touch with the rising nationalist aspirations of the Indian population. In conjunction with severe measures adopted by the Government of India to eradicate subversive activities, this line weakened the effectiveness of the Comintern both in promoting communism and in utilising the Indian factor in Anglo-Soviet relations.

In Britain itself, the collapse of the Anglo-Russian Trade Union Committee, an organisation which in practice had more importance in the Soviet power struggle between Trotsky and Stalin than in British internal politics, showed the gap between Soviet expectations and the realities of the British labour situation. This was to be made even clearer after the change of line imposed on the British Communist Party. The Minority Movement died away, and, although unemployed movements grew in strength during 1931-32, the British Party, in consequence of its sectarian approach of denouncing the Labour Party and the T.U.C. as 'social

fascists' and its obvious ideological and organisational subservience to Moscow, was never able to be more than a negligible political force.

Stalin and the Politburo pursued relations with Britain through the two arms of the Narkomindel and the Comintern, but by the end of this period, with the failure of the British and Indian Communist Parties to develop, the diplomatic arm had become the more effective means for Stalin to try to obtain the desired foreign policy objectives. The reconstitution of Soviet foreign and domestic policies around Stalin's conviction that only the fastest possible reorganisation and expansion of the Soviet economy could equip the Soviet Union for a future conflict with the capitalist world implied the subordination of foreign adventures to domestic considerations, but did not rule out the necessity for some contacts with the West for trade purposes.

The relationship with Britain, as with other countries, however, was subjected to abuse for these internal purposes, as in the case of the Industrial Party Trial in 1930, and the social and economic changes in Soviet life as the Stalinist machine forced the population into a frenetic drive for industrialisation and collectivisation, such as the religious persecution,

the increased use of forced labour, the liquidation of the kulaks, and the forced exporting of grain and timber, became the subject of inter-governmental controversy and friction.

The Depression did not stop short at the borders of the Soviet Union, as was claimed by the Soviet authorities, because the falling prices of raw materials and growing protectionism in the West affected Soviet foreign trade planning. The shift in the terms of trade meant that increased amounts of grain, timber and oil had to be exported to buy the contracted machinery and service the short-term credits granted by Britain and other Western powers. The Soviet authorities maintained a favourable balance of trade with Britain in order to earn foreign exchange by sizeable exports regardless of the domestic hardship and by endeavouring to make their machinery purchases in Britain by means of increasingly longer credits. It also meant that in the absence of British acceptance of a debts-for-credits arrangement, the Soviet side adopted a tactic of playing for time over the debts and claims negotiations, and even over the Lena Goldfields claim.

Soviet propaganda activities remained an irritating issue between the Soviet Government and the Western countries, and Britain was not alone in protest-

ing against the activities and publications of the Comintern and other communist organisations (propaganda clauses were insisted on by the French in the Non-aggression Pact of 1932 and by the Americans on recognition in 1933). The Soviet diplomats consistently disclaimed governmental responsibility for the Comintern's activities, and only rarely, as in the case of the trade union radio broadcasts in late 1930 and the Izvestiya editorial in late 1932, did the Soviet side show any inclination to go even part way to meeting the British complaints.

One theme constantly invoked in the Soviet and Comintern pronouncements was the threat of war, but, after the genuine alarms in mid-1927, the constant invocation became more and more a device of Stalin's for internal purposes. Only after mid-1931 did Stalin have genuine reason to be concerned about the Soviet Union's security.

Stalin himself rarely had any direct contact with non-communist visitors and diplomats (Ovey never met him) (1), but there is little doubt that he and the

- 
1. Stalin seems to have confined his 'audiences' to a few Japanese politicians, American and German journalists, and British 'personalities' such as George Bernard Shaw and Lady Astor. No British diplomat had yet met Stalin even when Chilston sent his 1935 report assessing Stalin's character. Chilston to Simon, 22 February 1935, N1017/6/38, FO 371/19449.

Politburo retained control over the main guidelines of Soviet foreign policy through both its arms, though he seems to have been increasingly cynical about the usefulness of the Comintern. Chicherin was less suited to the Stalinist policies than Litvinov, who effectively took charge of the day-to-day running of the Narkomindel from mid-1928, but he too had only limited freedom to act as an independent decision-maker (1).

The Soviet diplomats in London were allowed little latitude in their conversations with their British counterparts, and Litvinov, recalling later the role of the Soviet representatives in London during

---

1. The question of a distinct 'Litvinov policy' during the 1930s is still the subject of scholarly debate. See Henry Roberts, 'Maxim Litvinov' in Craig and Gilbert, op.cit. pp. 344-377. Apart from the limited examples from Anglo-Soviet relations cited in this thesis, Litvinov's deference to Stalin can be demonstrated from other documents in the D.V.P. series. In June 1932, when approached by the Chinese at Geneva about resuming relations and signing a non-aggression pact, he had to telegraph Moscow for instructions (Vol XV, Doc.Nos. 267, 271); in October he telegraphed from Geneva, direct to Stalin, asking for a decision on the formula for the proposed Soviet-Rumanian non-aggression pact (ibid, Doc.No. 389); in June 1933, while negotiating with Simon in London, he telegraphed to Stalin and Molotov asking for decisions (Vol XVI, Doc.No. 195). Moreover, the direction of policy towards the Far Eastern crisis was put in the hands of a special Politburo commission headed by Stalin, in December 1931. Voennoe Izdatelstvo Ministerstva Oboroni SSSR, Istoriya Vtoroi Mirovoi Voini, 1939-1945, (Moscow 1973) Vol I, p.377.

the first decade after recognition, described them as having 'in reality been nothing more than a consul' (1). However, there were some occasions, as shown in this thesis, when their assessments and suggestions did carry some weight in the Narkomindel.

During the period under examination in this study, Litvinov had meetings in Geneva with three of the British Foreign Secretaries; with Chamberlain in December 1927, with Henderson in May 1931, and with Simon in July 1932. Although there were some differences in the main points under discussion (with Chamberlain propaganda, with Henderson propaganda, debts, and Lena Goldfields, with Simon the balance of trade and Lena Goldfields), the language used by the Foreign Secretaries and by Litvinov ran along well-worn paths, as the British side expressed their continued frustration and disappointment at the course of relations and Litvinov argued the correctness of the Soviet Governments attitude (2). These exchanges show the friction which prevented a real exchange of opinions on wider

- 
1. Department of State, Papers relating to the Foreign Relations of the United States, (Washington 1946 -) (hereafter cited as F.R.U.S.) Volume III for 1934, p. 230. The British thought Sokolnikov often looked like a hunted animal' who 'had to refer every new detail back to Moscow'. Dalton, op.cit. p.234.
  2. D.V.P. Vol X, Doc.No. 283, Vol XIV, Doc.No. 170, Vol XV, Doc.No. 299; D.B.F.P. IA/IV, Doc.No. 82, II/VII, Doc.No. 158; Memorandum by Simon, 21 July 1932, N4404/149/38, FO 371/16326.

international issues. In July 1934, after Britain had made clear her attitude on the Eastern Pact proposal and on Soviet-Japanese relations, Litvinov told the American Ambassador in Moscow: 'For the first time since recognition by Great Britain we now have actual diplomatic relations. Until the present neither myself nor Tchitcherin has ever discussed any diplomatic question of any importance with the British' (1).

The emergence of the Japanese threat in the Far East found both Britain and the Soviet Union psychologically unprepared for any rapprochement and the mistrust and mutual misunderstanding of the previous years across a range of issues prevented any real dialogue. This situation had not changed by the time that Hitler arrived on the international scene. Although the British did not intend to push Japan northwards, as has been alleged by Soviet scholars, suspicion of Soviet policies and the memory of previous Soviet activity in China did not make the Soviet Union seem a useful factor in the Far Eastern context where Britain was so seriously exposed. The Soviet Union, militarily weak, suspicious of French and British

---

1. F.R.U.S. 1934, Vol III, p.230.

contacts with Japan, and as yet still distanced by the Americans, adopted a conciliatory attitude towards the Japanese in order to gain time before the expected attack.

The basic problem of establishing a harmonious relationship with a fundamentally alien government, the policies of which were now reconstituted around Stalinist precepts, remained largely unsolved as far as the British were concerned. There was still no common language.



# Appendix One

## Anglo-Soviet Trade:

		<u>U.K. Imports from U.S.S.R.</u>	<u>U.K. Exports &amp; Re-exports to U.S.S.R.</u>	<u>Balance of Trade</u>
1926	£	24, 130, 217	14, 401, 366	9, 728, 951
1927	£	21, 051, 633	11, 289, 775	9, 761, 858
1928	£	21, 576, 107	4, 800, 752	16, 775, 355
1929	£	26, 487, 499	6, 542, 033	19, 945, 466
1930	£	34, 235, 002	9, 291, 301	24, 943, 701
1931	£	32, 285, 563	9, 203, 214	23, 082, 349
1932	£	19, 645, 130	10, 620, 287	9, 024, 853
1933	£	17, 491, 099	4, 298, 770	13, 192, 329
				(Balance in favour of U.S.S.R.)

## Sources:

Annual Statement of the Trade of the United Kingdom

with Foreign Countries and British Countries, 1930, 1935.

## Appendix Two

### Anglo-Soviet Trade:

U.K. Exports and Re-exports to U.S.S.R.		U.K. Imports from U.S.S.R.	
as % of all U.K. exports	as % of all U.S.S.R. imports	as % of all U.K. imports	as % of all U.S.S.R. exports
1926	1.9	1.9	27.3
1927	1.4	1.7	19.7
1928	0.6	1.8	21.6
1929	0.8	2.2	21.9
1930	1.4	3.3	27.0
1931	2.0	3.7	32.8
1932	2.6	2.8	24.1
1933	1.0	2.6	17.6

Note:

Calculations of Soviet figures for 1926, 1927, and 1928, are made from details of Soviet economic years 1926-27, 1927-28, and 1928 respectively.

Figures and calculations based on:

Annual Statement of the Trade of the United Kingdom

with Foreign Countries and British Countries, 1930, 1935.

Vneshtorgizdat, Vneshnaya Torgovlya SSSR za 1918-1940 gg. (Moscow 1960)

Appendix Three

Export Credits:

(£ thousand)

	<u>July 1926- Dec. 1928</u>	<u>1929</u>	<u>1930</u>	<u>1931</u>	<u>1932</u>
For Soviet Union	-	387	4841	8471	4454
For Other Countries	5386	4853	3600	2617	4246
Total	5386	5240	8441	11088	8700
For Soviet Union					
as % of Total Credits	-	7.4%	57.3%	76.4%	51.2%

Figures and calculations based on:

Board of Trade Journal, 1929-1933.

Memorandum by Export Credits Guarantee Department, 30 June 1933,

N4928/748/38, FO 371/17261.

# Appendix Four

## British Imports from the Soviet Union:

(£ thousand)

	<u>Timber</u>		<u>Wheat</u>	
	<u>Imports from U.S.S.R.</u>	<u>As % of all U.K. Timber Imports</u>	<u>Imports from U.S.S.R.</u>	<u>As % of all U.K. Wheat Imports</u>
1926	3828	9.8	1494	2.4
1927	6461	13.2	1523	2.2
1928	6878	16.4	43	0.1
1929	9478	21.2	-	-
1930	10725	25.5	5752	13.4
1931	7448	25.6	6596	21.7
1932	6189	24.2	906	2.8
1933	5044	16.8	1359	4.4

Calculations based on figures from

Annual Statement of the Trade of the United Kingdom

with Foreign Countries and British Countries. 1930, 1935.

Appendix Five

British Machinery Exports to the Soviet Union:

	<u>U.K. Machinery Exports to U.S.S.R.</u>	<u>As % of all U.K. Machinery Exports</u>	<u>As % of all U.K. Exports to U.S.S.R.</u>
1926	£ 2,387,654	10.3	17.1
1927	£ 1,850,497	7.4	16.8
1928	£ 1,701,386	6.1	42.5
1929	£ 1,736,946	5.8	28.9
1930	£ 2,692,660	10.3	29.9
1931	£ 4,431,769	13.4	48.2
1932	£ 6,204,791	20.1	58.4
1933	£ 1,859,279	6.8	43.5

Note:

Machinery includes agricultural, electrical, printing, textile machinery and parts, and machine tools.

Calculations based on figures from

Annual Statement of the Trade of the United Kingdom  
with Foreign Countries and British Countries. 1930, 1935.

## BIBLIOGRAPHY

### PRIMARY SOURCES

#### Unpublished Documentary Sources:

Records of the Cabinet Office, Foreign Office, Committee of Imperial Defence, Treasury, Board of Trade, Export Credit Guarantee Department, Home Office, Admiralty, Air Ministry, and Ministry of Agriculture and Fisheries in the Public Record Office, London.

India Office Records and the Birkenhead, Halifax, Peel, Reading, Seton and Templewood Papers in the India Office Library, London.

Cecil and Balfour Papers in the British Museum, London.

Ponsonby and Sankey Papers in the Bodleian Library, Oxford.

Dalton, Lansbury and Passfield Papers in the British Library of Political and Economic Science, London.

Baldwin, Crewe and Templewood Papers in Cambridge University Library.

MacDonald Papers in the Public Record Office, London.

Astor Papers in Reading University Library.

Samuel Papers in the House of Lords Record Office, London.

Austen and Neville Chamberlain Papers in Birmingham University Library.

Goto Papers in the National Diet Library, Tokyo.

Records of the Japanese Foreign Ministry in the Gaimusho Gaiko Shiriyokan (Diplomatic Record Office), Tokyo.

Gillett Papers in the possession of Mr. E. Gillett.

Ovey Papers in the possession of Mrs. D. Woodrow.

-100-

Published Diplomatic Papers:

H.M. Stationery Office, Documents on British Foreign Policy, 1919-1939, (London 1949- )  
Series I Vols II, XII  
Series IA Vols I-VII  
Series II Vols I-V, VII, IX-XII

Ministerstvo Inostrannykh Del SSSR, Dokumenty Vneshnei Politiki SSSR, (Moscow 1957- ) Vols VIII-XVII

Ministero Degli Affari Esteri, I Documenti Diplomatici Italiani, (Rome 1953- ) Settima Serie Vols V-IX

Department of External Affairs, Documents on Canadian External Relations, (Ottawa 1971- ) Vols 4-6

Department of State, Papers Relating to the Foreign Relations of the United States, (Washington 1946- )  
1928 Vol III  
1929 Vols II, III  
1931 Vols II, III  
1934 Vol III

Ministère des Affaires Etrangères, Documents Diplomatiques Français, (Paris 1964- ) Serie I Vols I, II

H.M. Stationery Office, Documents on German Foreign Policy, 1918-1945, (London 1957- ) Series C Vol I

Jane Degras, editor, Soviet Documents on Foreign Policy, (London 1952-1953) Vols II, III.

Other Printed Sources:

Gaimusho-hen, Oakyoku Daiikka, Nisso Koshoshi, (Tokyo 1969)

Government of India, Home Department, Intelligence Bureau, Communism in India, 1924-1927, (Simla 1927)

India and Communism, (Simla 1933)

Government of India Publication Board, Government of India Annual Report (Calcutta 1925- ) Vols for 1924-25 to 1933-34

H.M. Stationery Office, Annual Statement of the Trade  
of the United Kingdom with Foreign Countries  
and British Countries, (London 1930, 1935)  
Vols for 1930, 1935

Institut Istorii SSSR, Pogranichnie Voiska SSSR, 1919-1928,  
(Moscow 1973)

Jane Degras, editor, The Communist International 1919-1943:  
(London 1956-1965) Vols I-III

Labour Party, Report of Labour Party Conference,  
(London 1927- ) Vols 1927 to 1932

Ministerstvo Vneshnei Torgovli SSSR, Vneshnyaya Torgovlya  
SSSR za 1918-1940 gg, (Moscow 1960)

Royal Institute of International Affairs, Survey of  
International Affairs, (London 1928-1934)  
Vols for 1926 to 1933

Official Report, Parliamentary Debates, House of  
Commons 1924-1932, House of Lords 1927-1932

Command Papers, Cmd. 2682 (1926)  
Cmd. 2874, 2895, 2953 (1927)  
Cmd. 3125 (1928)  
Cmd. 3282, 3418, 3467 (1929)  
Cmd. 3511, 3552, 3583, 3641 (1930)  
Cmd. 3904 (1931)  
Cmd. 4286 (1933)

Memoirs, Autobiographies, Published Diaries and Works:

Alliluyeva, Svetlana, 20 Letters to a Friend (London 1968 -  
Penguin ed.)

Atholl, Duchess of, Working Partnership (London 1958)

Avon, Earl of, The Eden Memoirs: Facing the Dictators  
(London 1962)

Bessedovsky, Grigori, Revelations of a Soviet Diplomat  
(London 1931)

Boothby, Robert, I Fight to Live (London 1947)

Bridge, Ann, Permission to Resign (London 1971)



407  
Brockway, A.F., Inside the Left: Thirty Years of Platform, Press, Prison and Parliament (London 1942)

Cecil of Chelwood, Viscount, A Great Experiment (London 1941)

Clynes, J.R., Memoirs Vol 2 (London 1937)

Cole, Margaret (editor), Beatrice Webb's Diaries, 1924-1932 (London 1956)

Dalton, Hugh, Call Back Yesterday: Memoirs 1887-1931 (London 1953)

Dirksen, Herbert von, Moscow, Tokyo, London: Twenty Years of German Foreign Policy (Oklahoma 1952)

Gladwyn, Lord, Memoirs of Lord Gladwyn (London 1972)

Gregory, J.D., On the Edge of Diplomacy: Rambles and Reflections, 1902-1928 (London 1928)

Halifax, Earl of, The Fulness of Days (London 1957)

Hannington, Wal, Never on Our Knees (London 1936)

Herbette, Jean, Un Diplomate Français Parle du Peril Bolcheviste (Paris 1943)

Johnston, Tom, Memories (London 1952)

Jones, Thomas, A Diary with Letters, 1931-1950 (London 1954)

Kuusinen, Aino, Before and After Stalin (London 1974)

Lenin, Vladimir I., Collected Works Vol 33 (Moscow 1966)

On the Foreign Policy of the Soviet State  
(Moscow n.d.)

Lyons, Eugene, Assignment in Utopia (London 1938)

MacKenzie, Compton, My Life and Times: Octave Six, 1923-1930 (London 1967)

Macmillan, Harold, Winds of Change, 1914-1939 (London 1966)

Maisky, Ivan, Vospominaniya Sovetskogo Posla v Anglii (Moscow 1960)

Middlemas, Keith (editor) Thomas Jones: Whitehall Diary  
Vol II (London 1969)

100

Molotov, V.M., V Borbe za Sotsializm (Moscow 1935)

Monkhouse, Allan, Moscow, 1911-1933 (Boston 1934)

Murphy, J.T., New Horizons (London 1941)

Pearson, Lester, Mike. The Memoirs of the Right Hon. Lester B. Pearson Vol I (Toronto 1972)

Percy, Lord, Some Memories (London 1959)

Samuel, Viscount, Memoirs (London 1945)

Scheffer, Paul, Seven Years in Soviet Russia (London 1931)

Selby, Sir Walford, Diplomatic Twilight, 1930-1940 (London 1953)

Shidehara, Kijuro, Gaiko Gojunen (Tokyo 1974)

Simon, Viscount, Retrospect (London 1952)

Slocombe, George, The Tumult and the Shouting (London 1936)

Snowden, Philip, Autobiography Vol 2 (London 1934)

Stalin, J.V., Works Vols 7-13 (Moscow 1953-1955)

Strang, Lord, Home and Abroad (London 1956)

Sutton, Eric (editor and translator), Gustav Stresemann: His Diaries, Letters and Papers Vols II, III (London 1940)

Templewood, Viscount, Nine Troubled Years (London 1954)

Thomas, J.H., My Story (London 1937)

Vansittart, Lord, The Mist Procession (London 1958)

Wyndham Childs, Sir B.E., Episodes and Reflections (London 1930)

Young, Kenneth (editor), The Diaries of Sir Robert Bruce-Lockhart, 1915-1938 (London 1973)

- 489 -

## SECONDARY SOURCES

### Books:

- Abramsky, C. and Williams, B.J., Essays in Honour of E. H. Carr (London 1974)
- Adamec, Ludwig W., Afghanistan's Foreign Affairs to the Mid-Twentieth Century (Arizona 1974)
- Aldcroft, Derek, The Inter-War Economy: Britain 1919-1939 (London 1970)
- Balainkin, George, Ivan Maisky: Ten Years Ambassador (London 1944)
- Balawyder, Aloysius, Canadian-Soviet Relations between the World Wars (Toronto 1972)
- Barnett, Correlli, The Collapse of British Power (London 1972)
- Bassett, Reginald, Democracy and Foreign Policy. A Case History: The Sino-Japanese Dispute, 1931-1933 (London 1952)
- Beloff, Max, The Foreign Policy of Soviet Russia, 1929-1941 Vol I (London 1947)
- Birkenhead, Second Earl of, The Life of F.E. Smith, First Earl of Birkenhead (London 1960)
- Blackstock, Paul, The Secret Road to World War Two (Chicago 1969)
- Brown, Judith M., Gandhi and Civil Disobedience (Cambridge 1977)
- Calhoun, Daniel, The United Front. T.U.C. and the Russians, 1923-1928 (Cambridge 1976)
- Carlton, David, MacDonald versus Henderson (London 1970)
- Carr, Edward H., A History of Soviet Russia. The Bolshevik Revolution, 1917-1923 Vol 3 (London 1966 - Penguin ed.)
- The Interregnum, 1923-1924 (London 1969 - Penguin ed.)
- Socialism in One Country, 1924-1926 Vol 3 (London 1972 - Penguin ed.)

Foundations of a Planned Economy, 1926-1929  
Vol 2 (London 1971) Vol 3 (London 1976-1978)

- Carr, Edward H. and Davies, R.W., Foundations of a Planned Economy, 1926-1929 Vol 1 (London 1969)
- Cassels, Alan, Mussolini's Early Diplomacy (Princeton 1970)
- Chester, Lewis, Fay, Stephen and Young, Hugo, The Zinoviev Letter (London 1967)
- Coates, W.P. and Zelda K., A History of Anglo-Soviet Relations. (London 1944)
- Cohen, Stephen F., Bukharin and the Bolshevik Revolution. A Political Biography, 1888-1938 (London 1974)
- Connell, John, The Office, A Study of British Foreign Policy and its Makers, 1919-1951 (London 1958)
- Conquest, Robert, The Great Terror (London 1971 - Penguin ed)
- Craig, Gordon A. and Gilbert, Felix, The Diplomats, 1919-1939 2 Vols (New York 1968 - Atheneum ed.)
- Crowley, Edward L., The Soviet Diplomatic Corps, 1917-1967 (New Jersey 1970)
- Dallin, David and Nicolaevsky, Boris, Forced Labour in the Soviet Union (London 1948)
- Davis, Kathryn, The Soviets at Geneva: The U.S.S.R. and the League of Nations, 1919-1933 (Geneva 1934)
- Deutscher, Isaac, The Prophet Unarmed: Trotsky, 1921-1929 (London 1959)
- The Prophet Outcast: Trotsky, 1929-1940 (London 1966)
- Stalin. A Political Biography (London 1966 - Penguin ed.)
- Divine, David, Mutiny at Invergordon (London 1970)
- Donaldson, Robert, Soviet Policy towards India (Harvard 1974)
- Donoghue, Bernard and Jones, G.W., Herbert Morrison, Portrait of a Politician (London 1973)
- Drummond, Ian M., British Economic Policy and the Empire, 1919-1939 (London 1972)
- Duranty, Walter, Stalin and Co. (New York 1949)

- 131
- Duroselle, Jean-Baptiste, Les Frontieres Europeennes de l'U.R.S.S., 1917-1941 (Paris 1957)
- Dyck, Harvey L., Weimar Germany and Soviet Russia, 1926-1933 (London 1966)
- Edwardes, Michael, Playing the Great Game (London 1975)
- Erickson, John, The Soviet High Command: A Military-Political History, 1918-1941 (New York 1962)
- Eudin, Xenia and Fisher, Harold H., Soviet Russia and the West, 1920-1927 (Stanford 1957)
- Eudin, Xenia and North, Robert C., Soviet Russia and the East, 1920-1927 (Stanford 1957)
- Eudin, Xenia and Slusser, Robert M., Soviet Foreign Policy, 1928-1934. Documents and Materials 2 Vols (Pennsylvania 1966-1967)
- Feiling, Keith, The Life of Neville Chamberlain (London 1946)
- Fischer, Louis, The Soviets in World Affairs (New York 1960 - Vintage ed.)
- Frankel, Joseph, International Relations (Oxford 1969 - Paperback ed.)
- Fraser-Tyler, W.K., Afghanistan. A Study of Political Developments in Central and Southern Asia (London 1953)
- Gilbert, Martin, Winston S. Churchill Vols IV, V (London 1975-1976)
- Gillard, David, The Struggle for Asia, 1828-1914 (London 1977)
- Gleason, John H., The Genesis of Russophobia in Great Britain (New York 1972)
- Gordon, Michael R., Conflict and Consensus in Labour's Foreign Policy, 1914-1965 (Stanford 1969)
- Gorodetsky, Gabriel, The Precarious Truce. Anglo-Soviet Relations, 1924-1927 (Cambridge 1977)
- Gorokhov, I., Zamyatin, L., and Zemskov, I., G.V. Chicherin (Moscow 1973)
- Gregorian, Vartan, The Emergence of Modern Afghanistan (Stanford 1969)
- Guillermaz, Jacques, A History of the Chinese Communist Party, 1921-1949 (London 1972)

452  
Gupta, P.S., Imperialism and the British Labour Movement, 1914-1964 (London 1975)

Hamilton, Mary Agnes, Arthur Henderson: A Biography (London 1938)

Harkness, D.W., The Restless Dominion. The Irish Free State and the British Commonwealth of Nations (London 1969)

Hayes, Paul, The Twentieth Century, 1880-1939 (London 1978)

Hayter, Sir William, Russia and the World. A Study of Soviet Foreign Policy (London 1970)

Hayward, Max and Fletcher, William C., Religion and the Soviet State: A Dilemma of Power (London 1969)

Helliard-Symons, Pauline, Germany, the Soviet Union and World Disarmament, 1926-1933 (Unpublished M.A. Thesis, Wales 1970)

Hilger, Gustav and Meyer, Alfred, The Incompatible Allies (New York 1953)

Howard, Michael, The Continental Commitment (London 1974 - Penguin ed.)

Hutchinson, Lester, Conspiracy at Meerut (London 1935)

Imam, Zafar, Colonialism in East-West Relations: A Study of Soviet Policy towards India and Anglo-Soviet Relations, 1917-1947 (New Delhi 1969)

Iriye, Akira, After Imperialism. The Search for a New Order in the Far East, 1921-1931 (New York 1973 - Atheneum ed.)

Isaacs, Harold, The Tragedy of the Chinese Revolution (Stanford 1951)

Jackson, Robert, The Chief. The Biography of Gordon Hewart, Lord Chief Justice of England, 1922-1940 (London 1959)

James, Robert Rhodes, Memoirs of a Conservative (London 1969)

Jasny, Naum, Soviet Economists of the Twenties: Names to be Remembered (Cambridge 1972)

Jenkins, Edwin A., From Foundry to Foreign Office: The Romantic Life Story of the Rt. Hon. Arthur Henderson, M.P. (London 1933)

- 455 -
- Jordan, W.M., Great Britain, France and the German Problem, 1918-1939 (London 1943)
- Kalinin, Mikhail I., Voprosi Sovetskogo Stroitelstva. Stati i Rechi (Moscow 1958)
- Kapur, Harish, Soviet Russia and Asia, 1917-1927 (Geneva 1966)
- Kendall, Walter, The Revolutionary Movement in Britain, 1900-1921 (London 1969)
- Kennan, George F., Russia and the West under Lenin and Stalin (Boston 1960)
- Klugmann, James, History of the Communist Party of Great Britain Vol 2 (London 1969)
- Kochan, Lionel, Russia and the Weimar Republic (Cambridge 1954)
- Kolarz, Walter, Religion in the Soviet Union (New York 1966)
- Korbel, Josef, Poland between East and West: Soviet and German Diplomacy towards Poland, 1919-1933 (Princeton 1963)
- Krasilnikov, A.N., Politika Anglii v Otnoshenii SSSR 1929-1932gg (Moscow 1959)
- Kutakov, Leonid N., Istoriya Sovetskogo-Iaponskikh Diplomaticheskikh Otnoshenii (Moscow 1962)
- Kuusinen, Otto V., Izbrannie Proizvedeniya (Moscow 1966)
- Laqueur, Walter, Russia and Germany (London 1965)
- Lensen, George, The Damned Inheritance. The Soviet Union and the Manchurian Crises, 1924-1935 (Tallahassee 1974)
- Lewin, Moshe, Russian Peasants and Soviet Power (London 1968)
- Louis, Wm. Roger, British Strategy in the Far East, 1919-1939 (Oxford 1971)
- Lyman, Richard W., The First Labour Government, 1924 (London 1957)
- MacFarlane, L.J., The British Communist Party: Its Origin and Development until 1929 (London 1966)
- McKenzie, Kermit, Comintern and World Revolution, 1928-1943 (London 1964)

- McLane, Charles, Soviet Strategies in Southeast Asia  
(Princeton 1966)
- McNeal, Robert, The Bolshevik Tradition (New Jersey 1975 -  
Spectrum ed.)
- McSherry, James, Stalin, Hitler and Europe. The Origins  
of World War II, 1933-1939 (New York 1968)
- Mahon, John, Harry Pollitt. A Biography (London 1976)
- Marguiles, Sylvia R., The Pilgrimage to Russia. The  
Soviet Union and the Treatment of Foreigners,  
1924-1937 (London 1968)
- Marquand, David, Ramsay MacDonald (London 1977)
- Martin, Roderick, Communism and the British Trade Unions,  
1924-1933 (Oxford 1969)
- Medlicott, W.N., British Foreign Policy since Versailles  
(London 1940)
- Medvedev, Roy A., Let History Judge (London 1972)
- Middlemas, Keith and Barnes, John, Baldwin. A Biography  
(London 1969)
- Miller, Kenneth F., Socialism and Foreign Policy: Theory  
and Practice in Britain to 1931 (The Hague 1967)
- Nanda, B.R. (editor), Socialism in India (New Delhi 1972)
- Néré, J., The Foreign Policy of France from 1915 to 1945  
(London 1975)
- Newman, Bernard, Spy and Counter-Spy (London 1970)
- Nicolson, Harold, King George the Fifth: His Life and  
Reign (London 1952)
- Nikonova, S.V., Antisovetskaya Vneshnyaya Politika  
Angliiskikh Konservatorov, 1924-1927 (Moscow 1963)
- Northedge, F.S., The Troubled Giant. Britain among the  
Great Powers, 1916-1939 (London 1966)
- Nove, Alec, An Economic History of the U.S.S.R., (London  
1972 - Penguin ed.)
- Orde, Ann, Great Britain and International Security,  
1920-1926 (London 1978)
- Osyany, I.D., (editor), A Study of Soviet Foreign Policy  
(Moscow 1975)



- 493 -
- Overstreet, Gene, and Windmiller, Marshall, Communism in India (Berkeley 1959)
- Pelling, Henry, A History of British Trade Unionism (London 1971- Penguin ed.)
- Petrie, Sir Charles, The Life and Letters of Sir Austen Chamberlain Vol II (London 1939)
- Polonsky, Antony, Politics in Independent Poland, 1921-1939 (Oxford 1972)
- Ponomaryov, Boris N., (editor), History of Soviet Foreign Policy, 1917-1945 (Moscow 1969)
- Pope, Arthur U., Maxim Litvinoff (New York 1943)
- Popov, Victor I., Anglo-Sovetskie Otnosheniya 1927-1929gg (Moscow 1958)
- Diplomaticheskie Otnosheniya mezhdru SSSR i Angliei (Moscow 1965)
- Prasad, Bisheshwar, Defence of India: Policy and Plans (London 1963)
- Reading, Marquess of, Rufus Isaacs, First Marquess of Reading (London 1945)
- Reynolds, Philip A., British Foreign Policy in the Inter-War Years (London 1954)
- Roberts, Glyn, The Most Powerful Man in the World. The Life of Sir Henry Deterding (New York 1938)
- Ronaldshay, Earl of, Life of Lord Curzon Vol III (London 1928)
- Rose, Norman, Vansittart. Study of a Diplomat (London 1978)
- Rosenbaum, Kurt, Community of Fate. German-Soviet Diplomatic Relations, 1922-1928 (New York 1965)
- Roskill, Stephen, Hankey. Man of Secrets Vols II, III (London 1972-1974)
- Rust, William, The Story of the 'Daily Worker' (London 1949)
- Saha, Mahadevaprasad (editor), India and Communism (Calcutta 1976 - reprint of 1935 Government of India Report)
- Sakai, Hideo, Eiso Kankeishi Josetsu (Tokyo 1971)
- Samra, C.S., India and Anglo-Russian Relations, 1917-1947 (Bombay 1959)

- Sarkissian, A.O. (editor), Studies in Diplomatic History and Historiography in honour of G.P. Gooch (London 1961)
- Schapiro, Leonard, The Communist Party of the Soviet Union (London 1970 - University Paperback ed.)
- Scott, William E., Alliance against Hitler (Durham 1962)
- Seton-Watson, Hugh, The Russian Empire, 1801-1917 (Oxford 1967)
- Skidelsky, Robert, Politicians and the Slump. The Labour Government of 1929-1931 (London 1967)
- Souvarine, Boris, Stalin. A Critical Survey of Bolshevism (London 1939)
- Stevenson, John and Cook, Chris, The Slump. Society and Politics during the Depression (London 1977)
- Sutton, Anthony C., Western Technology and Soviet Economic Development 2 Vols (New York 1968-1971)
- Sykes, Christopher, Nancy, The Life of Lady Astor (London 1972)
- Taylor, A.J.P., English History, 1914-1945 (London 1965)
- Taylor, H.A., Jix - Viscount Brentford (London 1933)
- Thorne, Christopher, The Limits of Foreign Policy. The West, the League and the Far Eastern Crisis of 1931-1933 (London 1973 - MacMillan paperback ed)
- Towster, Julian, Political Power in the U.S.S.R. 1917-1947 (New York 1948)
- Trory, Ernie, Soviet Trade Unions and the General Strike (Brighton 1975)
- Trotsky, Leon, Where is Britain Going? (London 1960)
- Trotter, Ann, Britain and East Asia, 1933-1937 (London 1975)
- Tucker, Robert C., Stalinism. Essays in Historical Interpretation (New York 1977)
- Ulam, Adam B., Expansion and Coexistence (London 1968)
- Ullman, Richard H., Britain and the Russian Civil War (Princeton 1968)
- The Anglo-Soviet Accord (Princeton 1972)

- Voennoe Izdatelstvo Ministerstva Oboroni SSSR, Istoriya Vtoroi Mirovoi Voini, 1939-1945 Vol 1 (Moscow 1973)
- Voroshilov, Kliment, Stati i Rechi (Moscow 1937)
- Vygodsky, S.Y., Vneshnyaya Politika SSSR, 1924-1929 (Moscow 1963)
- Walters, F.P., A History of the League of Nations 2 Vols (London 1952)
- Waterfield, Gordon, Professional Diplomat. Sir Percy Loraine (London 1973)
- Watkins, Ernest E., R.B. Bennett. A Biography (London 1963)
- Watt, Donald C., Personalities and Policies (London 1965)
- Wellesley, Sir Victor, Diplomacy in Fetters (London 1944)
- Wilbur, C. Martin and Lien-ying How, Julie, Documents on Communism, Nationalism and Soviet Advisers in China, 1918-1927 (New York 1956)
- Wiles, Peter J.D., Communist International Economics (Oxford 1968)
- Willert, Sir Arthur, Aspects of British Foreign Policy (New York 1928)
- Williams, Francis, Ernest Bevin (London 1952)
- Wortley, B.A., Expropriation in International Law (Cambridge 1959)
- Zarnitskii, S.V., and Sergeev, A., Chicherin (Moscow 1966)

#### Articles:

- Alexandrov, A. and Sergeyeva, L., '90th Anniversary of Valerian Dvlgalevsky's Birth', International Affairs, January 1976, pp. 127-131.
- Andrew, Christopher, 'The British Secret Service and Anglo-Soviet Relations in the 1920s. Part I: From the Trade Negotiations to the Zinoviev Letter', Historical Journal, September 1977, pp. 673-706.
- Carsten, F.L., 'The Reichswehr and the Red Army, 1920-1939', Survey, October 1962, pp. 114-132.

- Crowe, Sibyl, 'The Zinoviev Letter: A Reappraisal', Journal of Contemporary History, July 1975, pp.407-432.
- Dalrymple, Dana, 'The Soviet Famine of 1932-1934', Soviet Studies, January 1968, pp.250-284.
- Dalton, Hugh, 'British Foreign Policy, 1929-1931' Political Quarterly, 1931, II, pp.485-505.
- Delaissi, Francis, 'Oil and the Arcos Raid', Foreign Affairs, October-November 1927, pp.106-108.
- Dohan, Michael, 'The Economic Origins of Soviet Autarky, 1927/28-1934', Slavic Review, December 1976, pp.603-635.
- Edwards, Peter, 'The Foreign Office and Fascism, 1924-1929', Journal of Contemporary History, 1970, No. 2, pp.153-161.
- Flory, Harriette, 'The Arcos Raid and the Rupture of Anglo-Soviet Relations, 1927', Journal of Contemporary History, October 1977, pp.707-723.
- Gatzke, Hans W., 'Russo-German Military Collaboration During the Weimar Republic', American Historical Review, April 1958, pp.565-597.
- Glenny, Michael, 'The Anglo-Soviet Trade Agreement, March 1921', Journal of Contemporary History, April 1970, pp.63-82.
- Graham, Malbone W., 'The Soviet Security System', International Conciliation, September 1929, pp.345-425.
- Griffiths, Franklyn, 'Inner Tensions in the Soviet Approach to "Disarmament"', International Journal, Autumn 1967, pp.593-617.
- Heymann, Hans Jr., 'Oil in Soviet-Western Relations in the Inter-War Years', American Slavic and East European Review, December 1948, pp.303-316.
- Holmes, Colin, 'Bukharin in England', Soviet Studies, July 1972, pp.86-90.
- Huntingdon, W. Chapin, 'The Prospects of American Trade with the Soviet Union', Slavonic Review, July 1935, pp.222-245.

- Lammers, Donald N., 'The Second Labour Government and the Restoration of Relations with Soviet Russia, 1929', Bulletin of the Institute of Historical Research, May 1964, pp.60-72.
- Lillich, Richard B., 'The Anglo-Soviet Claims Agreement of 1968', International and Comparative Law Quarterly, 1972, I, pp.1-14.
- Newman, Michael, 'Britain and the German-Austrian Customs Union Proposal of 1931', European Studies Review, October 1976, pp.449-472.
- Ohata, Tokushiro, 'Daiichiji Sekai Taisengo no Dokuso Kankei to Kyocho Gaiko no Seiritsu', Shikan, No. 62, pp.47-63.
- Owen, G.L., 'The Metro-Vickers Crisis: Anglo-Soviet Relations between the Trade Agreements, 1932-1934', Slavonic and East European Review, January 1971, pp.99-112.
- Popov, Viktor I., 'Vosstanovlenie Diplomaticheskii Otnoshenii mezhdu SSSR i Anglii v 1929 godu', Novaya i Noveishaya Istoriya, 1957, No. 3, pp.88-109.
- Schinness, Roger, 'The Conservative Party and Anglo-Soviet Relations, 1925-7', European Studies Review, October 1977, pp.393-407.
- Sontag, John P., 'The Soviet War Scare of 1926-27', Russian Review, January 1975, pp.66-77.
- Stambrook, Fred G., 'The Foreign Secretary and Foreign Policy. The Experiences of Austen Chamberlain in 1925 and 1927', International Review of History and Political Science, August 1969, pp.109-127.
- Szamuely, Tibor, 'The Elimination of the Opposition between the 16th and 17th Congresses of the C.P.S.U.', Soviet Studies, January 1962, pp.318-338.
- Thompson, J.A., 'Lord Cecil and the Pacifists in the League of Nations Union', Historical Journal, December 1977, pp.949-959.
- Tikos, Lazlo M., 'Waiting for the World Revolution: Soviet Reactions to the Great Depression', Journal of Contemporary History, October 1969, pp.87-99.
- Warth, Robert D., 'The Arcos Raid and the Anglo-Soviet "Cold War" of the 1920s', World Affairs Quarterly, July 1958, pp.115-151.

Watson, George, 'Were the Intellectuals Duped? The 1930s Revisited', Encounter, December 1973, pp.20-30.

Winter, J.M., 'Arthur Henderson, the Russian Revolution and the Reconstruction of the Labour Party', Historical Journal, December 1972, pp.753-773.

Yoshizawa, Kenkichi, 'Nisso Fukashin Joyaku, Manshu Jihen ni Kansuru Kaisodan', Kokusai Seiji, No. 33 (1966) pp.105-118.